



Staff Report

February 12, 2007

I. STATISTICS

- ◆ Our monthly statistics report is attached. As of February 5, 2007, there have been 626 Applications for Permits-to-Drill ("APDs") approved. At this pace, it is estimated that approximately 6,350 APDs will be approved in calendar year 2007. This represents a 7% increase over the previous record high of 5,904 APDs approved in 2006, which was 35% higher than the 2,915 APDs approved in 2004.
- ◆ The 2007 drilling permit totals for the top seven counties as of February 5, 2007 are:

County	2007 (% of Total)	2006	2005	2004
Garfield	218 (35%)	1844	1508	796
Weld	137 (22%)	1418	901	832
Yuma	103 (17%)	798	782	237
Las Animas	50 (8%)	500	413	332
Rio Blanco	27 (4%)	360	161	154
Mesa	27 (4%)	265	136	54
La Plata	17 (4)	235	117	102

- ◆ The following table shows a summary of oil and gas well permits requiring new well locations that have been approved by the COGCC in 2005 and through February 5, 2007. The summary shows the number of new location permits that have been granted where the surface owner owns mineral rights, where the surface ownership has been severed from the mineral ownership, where surface use agreements have been executed on severed lands, and where surface damage bonds have been posted on severed lands.

Calendar Year	Permits For New Oil And Gas Wells	Surface Owner Party To A Mineral Lease	Surface Owner Is Not Party To A Mineral Lease	Surface Use Agreements	Total Permitted Under A Surface Use Bond	\$25,000 Blanket Surface Damage Bond	\$2,000 Individual Surface Damage Bond For Non-Irrigated Land	\$5,000 Individual Surface Damage Bond for Irrigated Land
2005	4,323	2,936 (68%)	1,387 (32%)	742 (17%)	645 (15%)	636 (15%)	7 (<1%)	2 (<1%)
2006	5,848	3,933 (67%)	1,915 (33%)	1,223 (21%)	692 (12%)	689 (12%)	3 (<1%)	0 (0%)
2007	624	317 (51%)	307 (49%)	199 (32%)	108 (17%)	108 (17%)	0	0

Published in conjunction with COGCC hearings

II. NORTHWEST COLORADO

- ◆ Attached are oil and gas development-related newspaper articles of interest.
- ◆ Northwest Colorado Oil and Gas Forum

The next Northwest Colorado Oil and Gas Forum is scheduled for March 15, 2007, from 10:00 a.m. until 2:00 p.m. at the Garfield County Fairgrounds. A tentative topic for the March meeting is a discussion on air quality and emission reductions from oil and gas operations.

All parties wishing to be placed on the meeting agenda should contact Jaime Adkins at 970-285-9000 or via email to: jaime.adkins@state.co.us.

- ◆ Phase IV Piceance Basin Baseline Water Quality Study - Garfield County

As part of a FY 2006 budget request, the COGCC received funding to conduct a water quality investigation in Garfield County. This is the fourth in a series of baseline water quality sampling projects the COGCC staff have conducted in the Piceance Basin of Colorado. Seventy (70) domestic water wells were sampled in portions of Township 6 South, Ranges 91 through 93 West, and Township 5 South, Ranges 91 and 92 West, for general water quality. COGCC staff has sent letters to each individual well owner discussing their water sample results. The final report will be made available on the COGCC website (www.oil-gas.state.co.us).

Most of the sampled water wells are completed in the Wasatch Formation. In general, water quality in the water wells was similar to the quality observed in previous baseline sampling projects conducted in Garfield County. Of special note, methane was not detected in any of the 70 water wells tested at concentrations high enough for isotopic characterization. In addition, an area of higher than expected sodium chloride (NaCl) type water was observed in the western portion of the study area (when compared to the eastern part). This suggests that NaCl type water occurs naturally in the portions of the Wasatch Formation.

A presentation of the results of the Phase IV Piceance Basin Study will be made at a future Northwest Colorado Oil and Gas Forum, and if desired, a similar presentation could be made to the COGCC Commissioners at a future hearing.

- ◆ Local Project Status Update

The proposals for the Phase II Hydrogeological Characterization Projects have been submitted by several very qualified contractors to Garfield County (GARCO). The proposals have been evaluated. At the February 2007 County Commissioners' hearing, GARCO staff will be recommending that the Commissioners approve the selected contractor. GARCO intends to award the contract in February 2007. This is another Public Project In Lieu of Fines that will be funded by EnCana. COGCC staff is currently working on a Memorandum of Understanding (MOU) that will be signed by GARCO, the selected contractor, EnCana, and the COGCC. The MOU sets out the rights, obligations, and responsibilities, including budget, procurement, oversight, technical work, time periods, performance standards reporting, and enforcement of the public project.

III. SOUTHWEST COLORADO

- ◆ Maintaining Well Access Roads in La Plata County

As a result of years of complaints about tire ruts and road damage from landowners using gas well roads to access their homes, operators in La Plata County have united and formed a partnership via membership to the La Plata County Energy Council (LPCEC) to organize a road maintenance plan to better minimize soil erosion due to stormwater run-off. The plan divides the county into three high-traffic areas and jointly requires operators to pay their fair share of the costs. A road maintenance manager was appointed from the various member operators for an area and selected based upon the company with the largest operations. The methodology for allocations is determined from information available at the COGCC website. Well activity was the main criteria used for allocation where coal-bed

methane (CBM) wells were assigned a value of one, conventional wells one half, and injection facilities count as two. All operators and transporters agreed that pipeline companies are allocated at 15% of the total costs with 85% of the total cost being shared by producers. It should be noted that in nearly all instances, landowners are given the privilege to use well access roads and are not being charged. For further information you may contact Christi Zeller, LPCEC Executive Director, at czeller@gobrainstorm.net or telephone number 970-259-1301.

◆ Ongoing Investigation, Reclamation, and Mitigation of Residual Methane in the Vicinity of the Bryce 1-X Well Area, Bondad, Colorado

LT Environmental Inc. (LTE) submitted a proposal for pilot projects to characterize the impacted aquifers and to test the applicability of several techniques for remediating the residual gas in the gravel terrace deposits and in the ground water aquifers of the Nacimiento Formation related to the Bryce 1-X Well. This work will include pumping and recovery, insitu air sparing, in-well aeration, and active and passive vapor extraction testing.

COGCC staff and DNR Purchasing are working on a new contract with LTE which must be in place before the work can begin.

In January 2007, water samples were collected from the surrounding water wells. Methane concentrations remain very high in all of the wells.

◆ Gas and Oil Regulatory Team (GORT) Meeting

The next GORT meeting is scheduled for March 8, 2007, at 8:30 a.m. at the La Plata County Fairgrounds. All parties wishing to be placed on the meeting agenda should contact Debbie Baldwin at 303-894-2100 ext. 111 or via email to: debbie.baldwin@state.co.us .

◆ Gas Seep Mitigation Advisory Committee

Brian Macke, Debbie Baldwin, and Karen Spray continue to work with La Plata County Energy Council, La Plata County, and USFS/US BLM

personnel to identify several pilot gas seep mitigation projects on which to proceed, to develop work plans for these, and to identify sources of funding in addition to the Colorado Oil and Gas Conservation and Environmental Response Fund (Fund 170).

◆ 2006 - Fruitland Outcrop Monitoring Report - La Plata County

Detailed mapping of the methane seeps along the outcrop of the Fruitland Formation in La Plata County was performed between May 23, 2006, and June 10, 2006. This was the fifth detailed mapping event. Two additional areas, Vosburg Pike and the upland area north of Basin Creek, were added. LTE also used a grid mapping system, such as that used at the Bryce 1-X location, at the South Fork of Texas Creek (SFTC) area to evaluate its usefulness in outcrop seep mapping.

Results of the 2006 detailed mapping show that methane concentrations in historically active seep areas are relatively consistent with previous years. In general the areal extent of the methane seepage over the majority of the mapping areas appears similar to the 2005 mapping event, except that two new areas of methane seepage were identified; an upland area of Vosburg Pike and another area in the valley of the SFTC.

The second natural spring survey was also conducted. Eight natural springs were identified on the Fruitland outcrop in La Plata County. LTE was able to field verify and collect water samples from four of these springs. One additional spring, not previously identified, was sampled. Dissolved methane was detected at very low concentrations in three of the five springs sampled. Methane concentrations and flow rates were similar to those detected and measured in 2005.

LTE recommends that in the future a grid mapping system be used where practical to delineate the areas of gas seepage.

The report is available on the COGCC website, www.oil-gas.state.co.us under Library. A presentation summarizing the results of the

2006 Outcrop Monitoring Report will be presented at the March 2007 GORT meeting in Durango. A similar presentation could be made at a future hearing if desired by the COGCC Commissioners.

◆ San Juan Basin COGCC/Industry Meetings

Karen Spray, Margaret Ash, and Debbie Baldwin met with operators, including the Southern Ute Indian Tribe, in the San Juan Basin to introduce Karen, to discuss communication and spill reporting, and to tour operations. Karen also met with US Bureau of Land Management and United States Forest Service, La Plata County, Oil and Gas Accountability Project, and San Juan Citizens Alliance personnel.

IV. NORTHEAST COLORADO

◆ Greater Wattenberg Area Baseline Study

As part of a FY 2006 budgetary request, the COGCC received funding to conduct a gas and water quality investigation in the Greater Wattenberg Area (GWA) of the D-J Basin. Work on this project continues. All seventy-eight (78) gas wells and seven (7) of the eleven (11) Laramie/Fox Hills water wells have been sampled. The four (4) remaining water wells will be sampled once access approval from the landowner is received.

◆ Ogallala Aquifer Baseline Study

The Ogallala Aquifer Baseline Study will consist of collecting water samples from approximately seventy-seven (77) water wells in Washington and Yuma Counties for organic and inorganic chemical analyses. The Request for Proposal ("RFP") was posted on the Colorado Department of Personnel and Administration, Division of Finance and Procurement State Purchasing Office's online BIDS system on January 10, 2007. Funding for this project will come from the Fund 170 appropriation for Special Environmental Projects.

◆ Fort Morgan Gas Storage Field

The Fort Morgan Gas Storage Field ("Field") is located approximately five miles south of Fort Morgan, Colorado in Morgan County. This is one of four underground natural gas storage facilities in Colorado that are operated by Colorado Interstate Gas ("CIG"), an El Paso Corporation. The gas storage facility was formerly a producing oil and gas reservoir from 1954 to 1962 and has been a natural gas storage operation since 1966. There are currently a total of thirty-two (32) storage and two (2) water disposal wells within the Field.

On October 22, 2006, COGCC was notified of a casing leak on Well #26 that resulted in nearby residents being evacuated. The gas flow from the well was safely shut off on October 22, 2006 and there were no personal injuries. A total of thirteen (13) homes were reportedly evacuated. Residents were allowed to return home on October 28, 2006 with the exception of two homes that remain evacuated. CIG estimates that between 650 to 700 MMcf was lost based on inventory analysis, flow calculations, and chart measurement.

A draft Environmental and Engineering Assessment Workplan was submitted to the COGCC on November 17, 2006. An addendum to the sampling plan was submitted to the COGCC on December 15, 2006. COGCC comments and questions regarding the workplan were forwarded to CIG and the addendum to the sampling plan was conditionally approved on December 11, 2006.

A Notice of Alleged Violation (NOAV) was issued to CIG on December 18, 2006. Corrective action included the submittal of a draft Operation Plan for the operation and regulatory oversight of the Field. The requirements of the NOAV were due on February 5, 2007.

During January, COGCC staff spent several days monitoring the progress of ongoing Cone Penetrometer Testing ("CPT") at the Fort Morgan Gas Storage Field. The CPT work is being performed to evaluate the nature and extent of gas-impacted areas. To date over 50% of the planned 76 CPT locations have been completed.

On January 24, 2007, Brian Macke, David Dillon, Dave Shelton, Dave Andrews, and Randall Ferguson attended a presentation by CIG at its offices in Colorado Springs. The presentation included an overview of the Flank Storage Field in Baca County, the Latigo Storage Field in Arapahoe County, and the Fort Morgan and Young Storage Fields in Morgan County. Structure maps, isopach maps, bottom hole pressure ("BHP") survey maps, and well completion summary data spreadsheets were discussed and copies provided to the COGCC. CIG corporate strategy and operational approach were also discussed.

A meeting to discuss the results of the Phase I investigation results and current status of the Phase II investigation was held at the COGCC offices on February 16, 2007, at 1:30 p.m. Phase I of the investigation has involved indoor air monitoring of homes, sampling of 72 water wells, and bradenhead monitoring and maintenance of the gas wells. Phase II includes land surface monitoring and stability assessment, shallow subsurface evaluation, down-hole logging of gas wells, and long-term ground water monitoring.

◆ COGCC Interaction with Erie Town Council

Brian Macke provided a presentation on COGCC regulation at an evening meeting of the Erie Town Council on January 23, 2007. Supervising Engineer David Andrews and Field Inspector Jim Precup were also present at the meeting to assist in providing information and answering questions. The town of Erie has been concerned with recent oil and gas development in proximity to residential subdivision development. Numerous aspects of COGCC regulation were addressed, including high density rules, noise abatement regulations, lighting restrictions, and COGCC field inspection activity. The town council was particularly interested in the COGCC Local Governmental Designee program, and expressed an intention of more fully engaging in that process. There was some very productive discussion about how local governments can make use of the COGCC web site to have real-time monitoring of oil and gas well permitting information in addition to detailed information about existing oil and gas wells.

EnCana Oil & Gas, who is the operator of some of the newly drilled oil and gas wells in the Erie area, also provided a presentation at the meeting and had several staff available to answer numerous questions. The meeting was an excellent opportunity for the Erie Town Council to personally meet with representatives of both the COGCC and the industry, and for all parties involved to commit to even better communication and coordination in the future.

V. SOUTHEAST COLORADO

◆ Phase II Raton Basin Seep Mapping Project - Las Animas and Huerfano Counties

Field work for the Phase II Raton Basin Seep Mapping Project is scheduled to start in mid- to late April 2007, when road and weather conditions should be more conducive to mapping the seeps and other field activities.

◆ Raton Basin COGCC/Industry Meetings

Peter Gintautas and Margaret Ash met with operators in the Raton Basin to introduce Peter and to discuss recent weather related events, communication, and spill reporting. Margaret Ash and Peter Gintautas also met with Raton Basin operators on January 24, 2007, to discuss the Water Quality Control Commission's (WQCC) revised temperature standards and the status of the Colorado Water Quality Forum - Agricultural Diversion work group, which is discussed in more detail below.

◆ Raton Basin - Colorado Division of Wildlife DVD

Several Raton Basin operators have indicated an interest in participating in the CDOW DVD that illustrates good examples of oil and gas practices that are being used to minimize and mitigate impacts to wildlife. Margaret Ash facilitated contact between the operators and DOW staff.

◆ Baca National wildlife Refuge -Saguache County
A meeting was held on January 11, 2007, at the Baca National Wildlife Refuge (BNWR)

Headquarters to discuss potential conditions of approval (COAs) for Lexam's Application for Permit-to-Drill (APD) for two (2) wells in the BNWR. Representatives from Saguache County and the BNWF along with Dave Shelton, Dave Dillon and Peter Gintautas from the COGCC attended. The proposed well sites and previously drilled sites were visited by members of the groups. COGCC engineering and environmental staff have developed the conditions of approval for the APDs.

space for the Denver office is also included in this decision Item. \$571,472

3. An application programmer position (1 FTE) \$78,235
4. Data Cleanup Project \$119,356
5. Rifle lease space and vehicle for relocated supervising engineer \$37,020
6. Computer system maintenance - additional funding for information technology \$91,338

Budget Amendment:

Hearings Officer (1 FTE) \$76,364

VI. ORGANIZATION

The COGCC is pleased to announce the addition of Dirk Sutphin to the staff as an Engineer in Training II. Dirk is a graduate of the Colorado School of Mines with a degree in Geologic Engineering. He has over 14 years experience in the oil and gas industry and environmental consulting. The EIT II position is a training position that will allow engineers who have passed the Engineering Technician test to learn the procedures of the COGCC while working toward their Professional Engineer's license. After gaining engineering experience and obtaining their PE license, the EIT position can be upgraded to Professional Engineer I.

The COGCC congratulates Mark Weems, the Southwest Colorado Field Inspector, on passing the Professional Engineers exam. Mark was informed January 19th that he had passed the test.

◆ Fiscal Year 2006-07 Supplemental Request

The COGCC's supplemental request for additional lease space at The Chancery was approved by the Joint Budget Committee on January 18, 2007. (\$7,412)

◆ COGCC/WQCC/WQCD

On January 17, 2007, Brian Macke and Randall Ferguson met with the CDPHE WQCC and WQCD staff as part of routine communications between the two agencies. Agenda items included the recent WQCC rulemaking hearing regarding temperature standards for surface water; an update on the Agricultural Diversions and Water Quality work group; an update on policy development for stormwater permitting of oil and gas construction activities, and other technical issues. The next meeting is scheduled for March 21, 2007.

VII. PLANNING/ADMINISTRATION/OTHER

◆ Fiscal Year 2007-08 Budget Request

The COGCC's annual budget request was submitted to the Joint Budget Committee on November 1, 2006. Included in the request are the following six decision items and funding requirements, as approved by the Governor's Office, listed in priority order:

1. A contractor to assist with oil shale permitting \$60,000
2. Four additional FTE (2 permit technicians, 1 Engineer, and 1 Accountant) and continuation of funding for four contractors to assist with permitting. Additional lease

◆ CDPHE - Water Quality Control Commission

On January 9, 2007, the Water Quality Control Commission (WQCC) held a public rulemaking hearing to consider a proposal by the Water Quality Control Division (WQCD) to revise water temperature criteria and standards, including proposed revisions to sections 31.5, 31.9, 31.11, 31.14 and 31.16, in the Basic Standards and Methodologies for Surface Water, Regulation #31 (5 CCR 1002-31), and to consider corresponding revisions to the Classifications and Numeric Standards for the Arkansas River Basin, Upper Colorado River Basin and North

Platte River, San Juan and Dolores River Basins, Gunnison and Lower Dolores River Basins, Rio Grand Basin, Lower Colorado Basin, and the South Platte, Laramie, Republican and Smoky Hill River Basins, Regulations #32-38 (5 CCR 1002-32 to 38).

The WQCC unanimously approved interim temperature standards that become effective July 1, 2007. The WQCC will consider revisions to the corresponding Classifications and Numeric Standards for individual river basins at later hearings. The first to be considered will be the Upper Colorado River Basin in June of 2008. A number of oil and gas operators have permits from the WQCD to discharge produced water. As these permits are renewed or new permits obtained, the WQCD will require discharged produced water to meet the new temperature standards, as appropriate.

◆ Coalbed Methane (CBM) Stream Depletion Assessment Study of the Raton and Piceance Basins

S.S. Papadopoulos & Associates, Inc. (Papadopoulos) has been awarded the contract for conducting the "Coalbed Methane Stream Depletion Assessment Study of the Raton and Piceance Basins." The purpose of this study is to develop a quantitative assessment of the levels of stream depletion (or reduction in formation outflows) that may be occurring as a result of the removal of water by CBM wells. This work will be similar to the study done last year in the San Juan Basin and extends the assessment to other CBM producing basins of Colorado.

Public meetings were held in Trinidad on January 24, 2007, and in Rifle on January 26, 2007, at which time the Division of Water Resources, Colorado Geological Survey, COGCC, and Papadopoulos staff made presentations that described the purpose, goals, and proposed scope of work for these studies. Input from the public was solicited. The meetings were well attended with approximately 40 people at each. The audience was made up of local citizens, industry, environmental consulting companies, other concerned stakeholders, and staff from federal and state agencies. The

presentations are available on the COGCC website (www.oil-gas.state.co.us) Library.

◆ CDPHE - Air Quality Control Commission (AQCC)

Information regarding the recent rulemaking related to oil and gas operations is available on the AQCC website at www.cdphe.state.co.us/op/aqcc.

◆ Utility Notification Center of Colorado (UNCC)

As a reminder to operators, COGCC Rule 1102.d. states that "As to flowlines, and any other pipelines over which the Commission has jurisdiction, installed after June 1, 1996, each operator shall participate in Colorado's One Call notification system, the requirements of which are established by §9-1.5-101., C.R.S. et seq." There is concern that not all oil and gas operators are participating in this notification system, and that there is a potential danger posed by encountering abandoned pipelines containing residual petroleum hydrocarbons during excavation. Call Before You Dig at: 1-800-922-1987.

◆ ERF Plugged and Abandoned Wells - Soil Gas Survey and Inspection Project

An investigation of oil and gas wells abandoned under the supervision of the COGCC Environmental Response Fund (ERF) program is being planned. The COGCC staff has compiled a list of 230 wells that will be investigated for an anticipated cost of approximately \$130,000. The investigation is intended to screen for potentially hazardous environmental conditions in the vicinity of these wells. The Scope of Work was posted on the State of Colorado's online BIDS system on January 22, 2007 and documented quotes are being solicited. Contractor selection is expected to be completed in February 2007. Funding for this project will come from the Fund 170 appropriation for Special Environmental Projects.

◆ Pipeline Resolution

The Pipeline Resolution adopted by the

Commission at the January hearing concerning the regulation of natural gas gathering systems was submitted to the Public Utilities Commission on January 9, 2007.

◆ COGCC Policy Addressing Bird Deaths in Oil and Gas Heater/Treaters and Other Fired Equipment

COGCC staff has prepared a draft policy for Commission consideration at today's hearing that addresses the need for oil and gas operators to equip fired-vessels with screens to prevent birds from entering into or landing on this type of equipment.

Over the next several months the United States & Wildlife Service ("USFWS") intends to work with the oil and gas industry, the Colorado Division of Wildlife, and the COGCC to resolve the problem of bird deaths related to fired equipment. The USFWS is not pursuing criminal charges at this time, but will begin enforcement on March 1, 2007. Penalties for violation of the Migratory Bird Treaty Act (MBTA) can include misdemeanor conviction, financial penalties up to \$15,000 per bird, and imprisonment up to six (6) months. USFWS inspections of heater/treaters will resume after March 1, 2007. Companies found in violation of the MBTA by having heater/treaters that have killed migratory birds will be subject to criminal prosecution. Contact Special Agent James Hampton at 720-981-2777, extension 225, for additional information.

◆ Colorado Water Quality Forum - Agricultural Diversion Work Group

Margaret Ash and Peter Gintautas are participating in the Colorado Water Quality Forum - Agricultural Diversion work group. This work group was formed to address issues and complaints related to current Water Quality Control Commission (WQCC) standards and the Water Quality Control Division (WQCD) discharge permitting process, and to ensure that all downstream uses of water, including irrigation are protected. The work group includes representatives from the WQCC, WQCD, agriculture, and surface water discharge permit holders, including several Raton Basin operators.

The work group is chaired by Gary Beers of the WCQD and is reviewing the need for revised standards to protect downstream agricultural uses. Approaches being considered include setting salinity standards for discharge, developing narrative standards in discharge permits, or developing a guidance document to assist permit writers in setting permit standards and limits. A presentation on the progress of this work group to the WQCC is scheduled as part of its informational hearing in June 2007.

◆ Public Outreach Opportunities

Brian Macke has been invited to provide a keynote speech on behalf of the Colorado Oil and Gas Conservation Commission during a weed management symposium in Durango on February 22, 2007.

The COGCC will provide an informational exhibit display booth at the Energy Forum and Expo Colorado that will be held on Friday, February 23 at the Two Rivers Convention Center in Grand Junction, Colorado. This event, which is attended by oil and gas operators, government representatives, and citizens, is a good opportunity to provide education and outreach to hundreds of people from the Western Slope region.

Brian Macke has been invited to provide a presentation on COGCC regulation at the Colorado-Wyoming Chapter of the American Fisheries Society 2007 Annual Meeting in Fort Collins on February 27, 2007.

Brian Macke has been invited to provide an update on oil and gas activity in northwest Colorado and COGCC regulation during a meeting of the Colorado Cattlemen's Association in Walden on March 6, 2007.

Brian Macke has been invited to participate in a panel discussion on oil and gas regulation in the Rocky Mountain area during Platts' "Rockies Gas & Oil" conference on April 26-27, 2007, in Denver, Colorado.

Brian Macke has been invited to participate on a panel discussion about issues related to growth of the oil and gas industry in Colorado

at a conference that is being planned by the Air Waste Management Association in Golden on May 17, 2007.

◆ Onsite Inspection Policy

Under the Policy For Onsite Inspections On Lands Where The Surface Owner Is Not A Party To A Surface Use Agreement, which was effective for Applications for Permits-to-Drill ("APD") submitted after February 15, 2005, the COGCC has received to date a total of seventy-two (72) requests for onsite inspections.

Sixteen (16) onsite inspections have been conducted, two (2) are in the process of being scheduled, thirty (30) requests for inspections have been withdrawn, and twenty-four (24) onsite inspections are pending and will be scheduled, if necessary, after the APD is received, or after issues related to local governmental designee consultation, location change, or surface use agreements are resolved.

Of the seventy-two (72) requests for Onsite Inspection, forty (40) were for locations in Weld County, fourteen (14) for Las Animas County, six (6) for Adams County, three (3) each for Yuma and La Plata Counties, two (2) for Garfield County and one (1) each for Archuleta, Boulder, Kiowa, and Morgan Counties.

◆ Environmental Response Fund (ERF) Project Status

Attached on page 24 is an Excel spreadsheet listing both completed and pending ERF projects for Fiscal Year '06-'07. Pending projects only show funds appropriated or spent to date.

◆ March 2007 Hearing Docket

A preliminary docket for the March 2007 hearing has been provided. Hearing dockets are available on our website by clicking on "Hearings". Links to the hearing applications and notices are available from the Docket Number, respectively.

To sign up for e-mail notification of hearing notices and applications, please see the announcement and instructions on our main web page.

◆ Colorado Oil and Gas Information System ("COGIS")

The COGCC information system, COGIS, is made up of many different components that are used by the Commission, staff, industry, government agencies and many others.

● Internet

The COGCC determined it was most cost effective to develop applications and information in an Internet-available format. This allows for the same tools to be utilized in different environments, thus eliminating the re-creation of applications. The Internet connection was moved to a new network structure which provides a much more secure environment. The following are tabs on the Internet menu bar:

* General

This page has links to basic information concerning the Commission, its function, and oil and gas development in Colorado. The annual statistics and the weekly/monthly statistics are available here.

* Contacts

This page has links to people and agencies that are involved with oil and gas regulation and related issues in the state. The page also contains phone lists and geographic areas of responsibility for COGCC staff.

* Library

This page contains links to documents resulting from Commission studies, activity reports, and statistical downloads.

* Hearings

This page has links to the current and previous hearing schedules, which allow for review of the dockets, agendas, applications and their outcome. It also has information that is useful when considering filing an application for hearing or finding information about Commissioners.

* Rules

This page contains links to the Commission

statute, Rules and Regulations, and policies.

* Orders

This application provides searchable capability of the Commission's orders. The search by location is still under construction as we create the map layer for all spacing orders.

* Forms

All are available as Adobe Acrobat documents that can be downloaded, completed, printed and mailed; some are available as Excel and Word documents. Some example and instruction documents are viewable. Eventually, online forms will be available here, but the exact time frame is unknown.

* Staff Report

Current and previous staff reports are viewable here.

* Permits

This application shows the last 12 months of approved permits and current pending permits; it may be filtered by county.

* Database

This application enables users to query well, production, and operator information. These queried databases contain the most current set of data and are updated throughout the day.

* Local Gov

This application provides database searches for local government contact information and oil and gas activity within a selected area.

* Images

This application is an interface to the COGCC's historical paper files. All well files, logs, and hearing files have been scanned. This application is not user friendly and the preferred method is to use the database queries and click on the "docs" icon for wells and other facilities, or to use the Orders application.

* Maps

This interactive map application allows the user to zoom, pan, and select types of information to display. This application will also display the database information for wells by selection tools or double clicking on a single item. There are also tools to

allow annotations and to save reusable map files.

A statewide water wells map layer was added to the Internet on August 5, 2005. Many thanks to the Division of Water Resources for allowing us to display its data.

* Reports

This area is still in development; the application malfunctions. The goal is to have selectable data sets and statistical queries.

● Local Area Network

The COGCC staff is connected to services by a Local Area Network ("LAN") connection which provides e-mail and data sharing capabilities. The LAN is connected to the Centennial Building at 1313 Sherman Street by a wireless interface; this connection provides access to the Internet and other state services. COGCC staff utilizes the same applications in its work as Internet users, in addition to others outlined below.

* Database

The COGCC maintains a comprehensive database of regulated facilities (wells, pits, injection sites), incidents (inspections, complaints, spills), and affiliations (companies and contacts).

* Imaging

This application provides the capability to convert the paper documents received by the Commission to electronically available documents

* Form Processor

This set of applications allows users to input, route, edit, and update regulatory reports submitted by oil and gas operators.

* Geographic Information Systems ("GIS")

These applications provide the capability to create custom maps, convert survey calls to geographic coordinates, and convert and utilize geographic positioning system ("GIS") data.

The GIS Administrator creates daily updates for the Internet map data downloads.

* COGIS Tools

This set of applications allows COGCC staff

to correct data in the database in addition to performing specialized workflow administration.

* Remote Users

This is the final component of the COGIS system. The deployment of this system was delayed due to database synchronization problems; laptops have been deployed to COGCC field inspectors and environmental staff. While the application is still buggy, the feedback is that having information available in the field is a tremendous asset.

This laptop system consists of Internet applications and other report tools necessary for COGCC field staff to facilitate data collection and provide information.

* Electronic Business

There are approximately 200 operators reporting production electronically.

◆ COGIS Projects, Updates and Changes

Online GIS and COGCC Website Demonstration

The COGCC, with assistance from the Ground Water Protection Council, has produced two Macromedia Flash movies to help users understand the many features available within the COGCC GIS Online system. The movies are located by clicking on the HELP link from the main menu or by using the following link: http://oil-gas.state.co.us/COGIS_Help/Help.asp

Aerial Photographs Added

Color images obtained from the United States Department of Agriculture - Farm Service Agency were added to the COGCC Online map system. These images encompass the entire state and were taken in 2005. The black and white images were obtained from the same federal agency. These images were taken in the years between 1989 and 2001. The COGCC GIS Administrator had to eliminate the "no-data" black borders to create a seamless, statewide set of images.

BLM Lease Stipulations Map Layers Now Available

The COGCC, in cooperation with the BLM, has added map layers containing the lease stipulations from the BLM to the COGCC GIS Online site. The project was undertaken with

the help of the Ground Water Protection Council (GWPC). Colorado was designated as a pilot state and is one of the first to have this information available to the public. Some of the layers available include Federal Oil and Gas leases, Federal Surface leases, BLM Master Plats, and Federal Oil and Gas Subsurface Rights. Additional assistance from the GWPC allowed the COGCC to implement an automated process that allows the updates from the BLM to be merged into our existing data as the information is provided to the COGCC.

Production Information Update

The project to incorporate the production data prior to 1999 into the COGIS database environment has been delayed due to technical problems with the development. The web pages for Production Data inquiries are being modified in order to handle the addition of this information. The data for these years is associated by lease instead of by well requiring new types of queries to be created. A new feature of the production data pages will be the ability to download the detail information that is displayed.

Helpful Applications on the WEB

Two applications on the COGCC website are available to help operators with the entering of data relating to locations. The first, a Footage calculator, will take a new latitude and longitude and calculate new footage calls based on the location supplied at the time of permitting. The tool should only be used to compare locations where latitude and longitude were supplied on the permit as required by the December 1, 2005, rule change. The second application converts Latitude and Longitude as measured in degrees, minutes, and seconds into decimal degrees. The decimal degree format is what COGIS is expecting on all forms requiring lat/long coordinates. Both of these applications can be found in the Help area of the website.

LAS File Upload

Beginning August 24, 2006, all digital well logs submitted to the COGCC over the Internet are to be in LAS (log ASCII) format. In addition to the LAS file, a paper log file is still required. Additionally an operator can submit the same log file in a PDS format, but the PDS format

cannot replace the LAS requirement. To submit digital well logs over the Internet, an application must be completed. The application is available from the "Forms" page on the COGCC website <http://www.oil-gas.state.co.us>. To utilize the system, the operator will need to submit a Designation of Agent Form, Form 1A. COGCC staff is working with operators and logging companies to gain compliance with the digital log submission requirement. The rule still requires the operator to submit a paper copy of each well log (Rule 308A).

Mapping Directional Wellbores Project

This is an industry-sponsored project to make the directional wellbores visible on the Internet map. The project is underway with the application development nearing completion for the COGCC GIS and database applications. The COGCC, along with other states, is working with the Ground Water Protection Council to establish a standard format for electronic submission of directional survey data. The states are gathering their requirements for review and are working towards a delivery date of February 2007 for this format. Once the format is approved, an application will be created for Colorado to receive the directional surveys electronically. Many thanks to Mr. Dewey Gerdom of Petroleum Development Corporation for his insight regarding the need for such a data set.

US Standard XML Reporting Project

The COGCC, the Ground Water Protection Council, and agencies from several other states have been working together to establish an XML file format for permitting wells and reporting well completions. The working group is issuing a beta version to members of industry for their review and comment in February 2007. Once the comments have been analyzed by the working group and incorporated into the XML file format, a final version is expected to be published before the end of the first quarter of 2007.

Data Management of Bradenhead and Bottom Hole Pressure Systems

Development of the data entry functions for the Bradenhead test reports has been completed

and implemented. The backlog of test reports are being entered into the COGIS system. The next phase of the project will be the requirements gathering and design of the Bottom Hole Pressure data system. This phase will incorporate the current form, Bottom Hole Pressure, Form 13, for operators to use when reporting test results to the COGCC. The test results will then be entered into the new tables within the COGIS system. The existing data that has already been collected will be converted to the new system as part of the project.

Survey Rules Implementation Project

The forms used by operators to submit information on location of wells and completion reports have been modified to accept latitude and longitude data. The form processor applications and database tables have been updated to handle these changes to the forms. The online maps and GIS download files have been updated to switch the datum used to NAD 1983.

Delinquent Operations Report

This project created an internal application for the COGCC staff to identify forms/reports that may be required and are missing from the COGCC database. The Information Technology staff is working to develop the automated settings in the database to review data on a monthly basis and reevaluate when well data is modified. The data cleanup that is part of this process is underway and is expected to take several months to complete. Oil and gas operators are being asked to review a list of forms/reports that have not been submitted and either provide the form/report, or provide information substantiating why it is not required.

Spacing Orders Project

The spacing orders are being evaluated and posted on the maps, with over eighty-five percent (85%) of the state having been reviewed. The Wattenberg Field in northeast Colorado is the only area remaining to be completed.

Database Cleanup Project

The database cleanup project updated almost

35,000 historic well records before funding was exhausted. There remains fewer than 28,000 well records left to be updated once additional funding is approved.

139-51 in Section 6, both in Township 8 South, Range 95 West, in Garfield County. Due to the irregularity of both of these sections, it is not possible to have the 40-acre drilling and spacing units required by the orders. The variances establish smaller (approximately 20 acre) units in these two sections. The variances also specify no surface density greater than one well location per 40 acres.

VIII. VARIANCES

Two variances under Rule 502.b. were granted to Noble Energy Inc. on January 22, 2007. The variances are for the approval of drilling and spacing unit changes for Order Nos. 139-53 and 139-59 in Section 5 and Order Nos. 139-45 and

IN THE NEWS

County installs software to improve communications

January 15, 2007

By Heidi Rice

Post Independent - Glenwood Springs

RIFLE - Faster communications and better sharing of information with other emergency services providers are just some of the benefits of a nearly \$1.5 million software program that is currently being installed at the Garfield County Emergency Communications Authority.

Based in Rifle, the communications center handles around 100,000 calls per year, according to Carl Stephens, executive director of Garfield County 911.

The new software is being provided by New World Systems out of Troy, Mich., and will allow local police departments, the sheriff's office, emergency services, fire departments and the district attorney's office to interact and share their information, avoiding duplication of services.

"This software will make it much easier and faster to get things out," Stephens said. "We chose New World for several reasons, but the key reason was that they had the most comprehensive package and it was written in-house with integration in mind. In addition to information sharing and improved productivity ... these will have a real impact on our ability to protect the community."

The center serves the communities of Parachute, Rifle, Silt, New Castle, Glenwood Springs and Carbondale, as well as the sheriff's office. Funding for the software came from both public and private funds, including a \$900,000 grant from the Department of Local Affairs; \$100,000 from Encana Oil & Gas, USA; \$35,000 from Williams Production; and \$10,000 from Antero.

The Garfield County Emergency Communications Authority has been working on funding for the software since June 2005 with the help of Garfield County Sheriff Lou Vallario and Rifle Police Chief Daryl Meisner.

"New World will permit all public safety agencies in Garfield County to more effectively and efficiently serve their communities in spite of unprecedented growth," Meisner said. "Interagency cooperation is at an all-time high and can only improve service to all in Garfield County."

The system is currently being installed at dispatch, and law enforcement and will soon see installation at fire stations and community corrections.

"We're doing setup right now, and it's scheduled to be up and running by August," Stephens said. "People seem to be getting very excited."

Enterprise Acquires Piceance Basin Natural Gas Gathering Pipeline From Encana

January 16, 2007
Oil and Gas Online

Houston, TX - Enterprise Products Partners L.P. recently announced that its affiliate, Enterprise Gas Processing, LLC, has purchased Piceance Creek Pipeline, LLC, which was wholly owned by EnCana Oil & Gas (USA) Inc., a wholly owned subsidiary of EnCana Corporation. The assets of Piceance Creek Pipeline, LLC consist primarily of a recently constructed 48-mile, 36-inch diameter natural gas gathering pipeline in the Piceance Basin of northwest Colorado. As a part of the transaction, EnCana has signed a long term, fixed-fee gathering contract and dedicated significant production to the system for the life of the associated lease holdings. The transaction is expected to be accretive to Enterprise in 2007.

The new Piceance Creek Gathering System (PCGS), with capacity of 1.6 billion cubic feet per day (Bcf/d), extends from a connection with EnCana's 32-mile, 24-inch diameter Great Divide Gathering System near Parachute, Colorado, northward through the heart of the Piceance Basin to Enterprise's 1.5 Bcf/d Meeker gas treating and processing complex, which is currently under construction. Connectivity to the Great Divide system will provide PCGS with access to production in the southern portion of the basin along the I-70 corridor, including production from EnCana's Mamm Creek field. PCGS is expected to be placed in service this month with initial volumes of approximately 500 million cubic feet per day (MMcf/d) of natural gas, and volumes are expected to ramp up to approximately 625 MMcf/d by year-end 2007, with a significant portion of these volumes being produced by EnCana, one of the largest natural gas producers in the region.

"With access to the most active producing areas in the Piceance Basin, this gathering system represents a strategically important addition to our assets and business opportunities in the region," said Robert G. Phillips, Enterprise president and chief executive officer. "This acquisition and long term gathering agreement with EnCana, along with Enterprise's previously announced Meeker treating and processing complex and the recent 30-year midstream services agreement with ExxonMobil, positions Enterprise to become a premier midstream player in the Piceance Basin. Additionally, this new pipeline system is expected to provide producers throughout the basin with a direct conduit to the Meeker complex, as well as pipeline access to Enterprise's Mid-America natural gas liquids (NGLs) pipeline system and interconnects with various interstate natural gas pipelines that export gas from the Rocky Mountain region, including the new Rockies Express Pipeline."

Phase I of the Meeker complex, which is supported by commitments from EnCana, is on schedule for a mid-2007 start up, and will be capable of treating and cryogenically processing up to 750 MMcf/d of natural gas and extracting as much as 35,000 barrels per day (BPD) of NGLs. Supported by additional commitments from EnCana, Phase II will expand capacity of the Meeker facility to 1.5 Bcf/d and 70,000 BPD of NGLs.

Phase II is expected to be completed in mid-2008. The expansion of the partnership's Mid-America Pipeline system, now under construction, will provide increased export capacity for NGLs produced from Meeker and elsewhere in the Rocky Mountain region, including the Piceance Basin.

Current natural gas production from the Piceance Basin, which covers approximately 6,000 square miles, exceeds 1 Bcf/d from more than 4,800 wells and has been growing at an annualized rate averaging 25 percent over the past five years. With third party estimates suggesting 20 trillion cubic feet of undeveloped reserves, the Piceance Basin offers long-term opportunities for Enterprise to continue to expand its system to serve producers developing this extensive resource play.

SOURCE: Enterprise Products Partners L.P.

Micro-drilling's promising technology gets to bottom of task

January 19, 2007

By Steve Raabe

Denver Post Staff Writer



Anadarko Petroleum began using a coiled tube rig in November in the Wattenberg oil and gas field in eastern Colorado. The newer rigs are smaller and more portable than standard rigs. (Special)

Colorado's biggest oil and natural-gas producers are experimenting with a new drilling technology billed as cheaper, faster and quieter than conventional drilling. The promising drilling technique is not yet a panacea. So-called coiled tube drilling rigs have limits on the depths they can reach and the geologic formations they can breach.

Yet some energy professionals say the new rigs could one day fundamentally change the process of exploiting Rocky Mountain natural gas. "Coiled tube drilling could be quite revolutionary," said Jim Myers, a Denver-based drilling engineer for energy giant EnCana Corp. of Calgary. In government-sponsored tests that combined coiled tube rigs with another technology, small-diameter or "microhole" drilling, costs have been reduced by 38 percent.

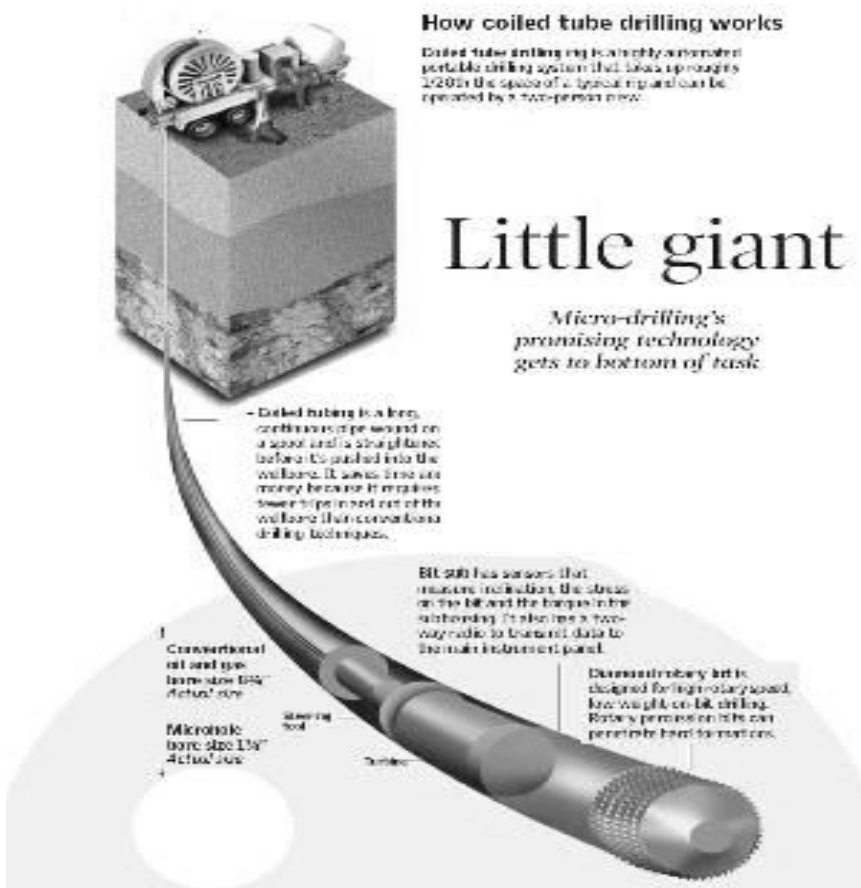
If similar savings can be achieved in commercial drilling, the average \$600,000 cost to drill a gas well in eastern Colorado's Wattenberg field could be reduced by more than \$200,000.

The lower costs are achieved by shaving up to two days off the time needed to drill a well, compared with the typical six days or more needed to drill in Colorado with the larger and more cumbersome rotary drilling rigs that are standard in the industry.

Unlike the rotary rigs that operate by stuffing dozens of 30-foot sections of steel pipe atop one another into the ground, coiled tube rigs - as their name suggests - operate by using a continuous strand of tubing with an embedded drill bit, eliminating the need to stop every 30 feet to screw in a new piece of pipe.

The newer rigs are smaller and more portable than standard rigs. The smallest can be placed on a trailer towed by a pickup truck. Even the larger ones being tested in Colorado can be disassembled and moved on about a dozen semitrailer loads, compared with the 20 to 30 trailer loads for a rotary rig.

EnCana has used the rigs successfully in Canada and is beginning to test the units for drilling natural-gas wells in the Piceance Basin of western Colorado.



Another major producer, Anadarko Petroleum, began using a coiled tube rig in November in the Wattenberg oil and gas field. While the handful of wells drilled by the rig haven't yet yielded enough data for Anadarko to provide operational statistics, the energy company is confident enough in the performance that it will bring one or two more coiled tube units to Colorado this year.

"We can't quantify the benefits yet," said Bart Boudreaux, general manager of Rockies drilling for Anadarko. "But the beauty of this is that if we can drill wells faster, we can reduce our costs and drill more wells."

The technology got a thumbs up after the National Energy Technology Laboratory, in conjunction with Yuma-based Advanced Drilling Technology and Rosewood Resources of Dallas, drilled 25 small-bore wells with coiled tube rigs in the Niobrara gas formation of eastern Colorado and western Kansas. The 3,000-foot-deep wells - shallower than most others in Colorado - were drilled in as little as 19 hours. "You can get these wells drilled in record time, and that's where the economic benefits come in," said Roy Long, a Tulsa, Okla.-based official of the federal energy laboratory. Oil and gas producers now are working to make coiled tube rigs functional for wells as deep as 14,000 feet, a depth sometimes encountered in western Colorado and Wyoming.

"It's a promising technology," said Brian Macke, director of the Colorado Oil and Gas Conservation Commission. "It reduces the drilling time and reduces the impact on nearby residents."

Public pleased with Antero

January 24, 2007

By Donna Gray

Post Independent - Glenwood Springs

A natural gas development company working along the Colorado River between Silt and Rifle is getting good marks on its report card after two years of drilling.

Denver-based Antero Resources was the new company on the block in March 2005 when it set up to drill on the south side of the river near Silt. Up until then drilling was concentrated farther south in the Divide Creek and Dry Hollow areas about 10 miles south of Silt and around Parachute. Antero imported new, state-of-the-art drill rigs from Italy that had a smaller footprint than conventional rigs.

Since then, Antero has drilled 33 wells and figured out the limits of the gas in this section of the gas-rich geographical area called the Piceance Basin. In addition, Antero also entered into a groundbreaking agreement with a group of local residents in Silt Mesa and Peach Valley to craft a community development plan. The nonbinding agreement calls for Antero to use quiet drilling rigs, no flaring of gas, mitigation of noise, protection of air quality and reports of their annual drilling plans.

So far, the plan has worked well, said Liz Lippett, who, with Christy Hamrick and Peggy Utesch, worked on developing the plan with Antero. "I am very impressed with (Antero vice president) Terry (Dobkins) and (operations superintendent) Steve (Fontenot)," she said. "They have worked with us through thick and thin." "We haven't really had any" (complaints) about Antero, Lippett said. "The plan so far has worked really well, but they haven't been drilling up on Silt Mesa."

While the plan was driven by fears that Antero would drill close to that dense residential area north of the town of Silt, Antero's efforts have remained focused on leases it holds along the Colorado River between Rifle and Silt. The last community update was in December, when Antero outlined its drilling plans for 2007.

Antero's biggest challenge right now is drilling around existing and prospective gravel pits that are proliferating along the river, driven in large part for demands for gravel and concrete for oil and gas development.

This year, in another first for the oil and gas industry in Garfield County, Antero will drill a well north of the river and Highway 6, just east of Rifle. Although Dobkins said the prospects for economically viable production there are not promising. "It's iffy the further north (we go), and the closer we get to the hogback there's less and less gas," he said.

Conventional wisdom in the industry says the bowl-shaped basin pinches out near the Grand Hogback that winds around the river valley north of Silt and heads due north of Rifle. There the gas lenses are smaller and less productive. In addition, with the price of gas depressed at this time to about \$7 per British Thermal Unit (BTU) - from a high last year of \$15 per BTU - profit margins narrow considerably.

"Three dollars per BTU is definitely the kiss of death (for continued drilling)," Dobkins said. "For us it's closer to \$5. But I think they will only be there a short time and will go back up." That's the nature of the oil and gas business and volatile gas market that is driven by supply and demand and the weather. "The cold snap has taken gas from \$5 to \$7 (per BTU)," he said.

One dark cloud in Antero's relatively sunny prospects is the town of Silt and its concerns over a proposed gravel pit south of the river and just south of town. Antero leases mineral rights on about 180 acres of land, owned by a consortium of local attorneys and contractors, that was recommended for approval for gravel mining by the Garfield County Planning and Zoning Commission this month.

Silt Mayor Dave Moore, while praising Antero as "good to work with," also expressed frustration that an attempt to negotiate with the gravel pit owners to annex the land into the town and turn it into a park when mining was complete, failed to reach agreement because Antero worried about another layer of regulation if the land became part of the town. "They wanted to set up a (gas) compressor station and felt they couldn't work with the town," Moore said.

Silt's greater worry, however, is not gas drilling, but the impacts of truck traffic, from the several gravel pits in the neighborhood, that will be using Silt's roads through the Stillwater subdivision, next to the proposed gravel pit.

"Who's going to pay for those impacts?" Moore asked. Silt is currently in litigation with the county over maintenance of those roads.

Antero, despite the ups and downs of gas prices, is in for the long run. "Antero is fortunate to have good funding behind it," Dobkins said. "We're just in here to stay."

Rifle fires up real estate market

Gas fuels surge in activity

January 25, 2007

By Scott Condon

The Aspen Times - Aspen, CO

GARFIELD COUNTY — Garfield County joined the billionaires club in 2006 as the volume of all real estate sales in the county topped \$1 billion for the first time last year, according to a report by Land Title Guarantee Co. The title company analyzed sales data recorded with the county clerk's office.

The report shows dramatic growth in Garfield County real estate activity over the past three years. The \$1.04 billion in total sales for 2006 was an increase of 22 percent over the 2005 mark and growth of 137 percent from 2003, according to Land Title Guarantee Co.'s report.

What's responsible for the soaring real estate sales in Garfield County? "In one word, Rifle," said Lynn Kirchner, managing broker for the Sothesby's International Realty branch in Carbondale.

The oil and gas boom in western Garfield County is responsible for a huge influx of residents to the Rifle area. That is driving the real estate development boom in western Garfield County, as well as appreciation of property. Using statistics from the Aspen/Glenwood Springs Board of Realtors, Kirchner estimated that at least \$75 million of the \$1 billion in commercial and residential sales in Garfield County occurred in Rifle last year.

Countywide, the number of real estate sales transactions surged from 1,873 in 2003 to 2,852 last year. As that suggests, real estate activity is strong throughout the county, according to Bonnie Daniels, a real estate agent with Vicki Lee Green Realtors in Glenwood Springs.

"Where is not hot?" Daniels said. "The western end of Garfield County has had the biggest increase in home purchase transactions and construction of new homes, in my opinion. Low inventory of available, affordable homes plague the majority of Garfield County communities."

In the portion of Garfield County in the Roaring Fork Valley, the supply of single-family homes dwindled and prices soared, according to Kirchner. The average single-family-home price in Carbondale jumped to nearly \$500,000 last year, she said. The biggest surge in appreciation came between April and September.

The millionaires have pushed the working public out of town, Kirchner said. Million-dollar homes are also selling in New Castle and Rifle, something unheard of five years ago, she said.

Homes in the \$300,000 to \$500,000 range were a scarce commodity in Carbondale last summer. On the rare occasions they went on the market, they spurred bidding wars and sold in hours, Kirchner said. In some cases where she worked as an agent for the buyers, "We would write an offer before we would even see it," she said. Daniels said homes priced at less than \$400,000 receive multiple offers everywhere in the county.

Pitkin County has remained above the \$1 billion level in annual sales volume for each of the last four years. Sales volume topped \$2 billion in 2005 and soared to \$2.64 billion last year. Kirchner said chances are good that sales volume will remain above \$1 billion in Garfield County this year, in large part because of all the construction of homes and commercial property in Rifle.

"The No. 1 question people ask me is when will it stop," Kirchner said of the property appreciation. She tells them that values in the Roaring Fork Valley are unlike most in the country. While there are occasional plateaus in values, they never drop in the local market. Daniels was also bullish on 2007. "All indications show 2007 will be a repeat of 2006 in the housing market as long as interest rates stay down and the job opportunities stay at current levels," she said. "Demand will still be greater than supply."

Williams partners with DOW

Study to assess deer movement and energy development

January 26, 2007

By Donna Gray

Post Independent - Glenwood Springs

GLENWOOD SPRINGS, Colo. — A ground-breaking three-year wildlife study financed by Williams Production has prompted the Bureau of Land Management to lift a winter drilling restriction in an area northeast of Parachute.

In a deal between BLM and Williams, the federal agency has agreed to allow Williams to continue drilling in the Hayes Gulch area during the normally prohibited period, Dec. 1 through May 31. Williams has also agreed not to drill on its private lease holding on the valley floor.

"DOW (the Colorado Division of Wildlife) came to us with the proposal," said BLM spokesman David Boyd. Requests to lift winter drilling restrictions are granted, or not, by BLM with consultation from DOW. "They said, 'We think it's a good opportunity' to study mule deer movement during the winter," Boyd said. Boyd also said the restriction was lifted for this winter only and would be evaluated next winter.

Williams, which contributed \$600,000 to the project, is using its new high efficiency rigs, which can drill, complete and put wells into production at the same time while leaving a smaller footprint than conventional rigs. Such simultaneous operations reduce drilling time for the area "from four to five years to about 16 months," said Rob Vincent, Williams district production engineer. The company plans to drill 62 wells from five well pads.

Williams has installed an above-ground system of pipes that will bring fracturing fluids and water up to the rigs. Fracturing operations will be conducted from a pad on private land about a mile away from the rigs, Vincent said.

No water or fracturing fluid will be trucked to the pads. The pads will be much smaller than usual, less than two acres, as opposed to the conventional 3 to 5 acres, which have room for condensate tanks, Vincent said. Water and condensate produced in the wells will flow within the closed system rather than being stored in open pits and tanks on the well pads.

"DOW and BLM saw this as an advantage from an environmental perspective because there's less time frame for disturbance and environmental impact," said Rob Bleil, Williams senior environmental specialist. "We're looking to assess (deer) movement caused by or related to energy development," said DOW spokesman Randy Hampton.

Last week a consultant hired by DOW captured a group of mule deer using a net shot from a helicopter over the animals. They captured 60 mule deer in the Hayes Gulch area and fitted them with radio collars. The collars, some of which send global positioning system readings via satellite every two hours, pinpointing the animals, "will be used to track the animals over time," Hampton said.

DOW welcomed the opportunity to do the study, Hampton said. The drilling prohibitions in critical big game winter range were put in place to protect deer and elk. But in the area of oil and gas development along the Interstate 70 corridor between Parachute and DeBeque, DOW has also seen a worrisome trend.

"Where there's a mixture of public and private land, because of timing stipulations, companies bring in their rigs, set them up and begin drilling and when they hit winter they pull off public land and hit private," Hampton said. "In some cases we've seen that private land may have better winter habitat, so they're forcing the deer off private and on to public land, which might not be such a good idea."

In Hayes Gulch, the land is characterized by steep slopes covered with sparse stands of pinon and juniper trees, sagebrush and little grass. It is the valley floors, the private land, where Williams and other companies usually drill in the winter, that is the better habitat.

The area where Williams has agreed not to drill, on the valley floor, is also critical to the study. "We will see what the deer are doing there," Hampton said.

Study will probe effect of coal-bed methane gas wells in Piceance Basin

January 26, 2007

By Kylene Kiang

The Daily Sentinel - Grand Junction

RIFLE — Few coal-bed methane gas wells have been drilled in the Piceance Basin compared to other basins in Colorado, but a seven-month study begins soon to see whether streams and creeks in the basin could be affected.

Colorado Division of Water Resources Assistant State Engineer Dick Wolfe said a stream depletion assessment study is to be completed by July. The \$186,000 study, funded by state severance tax money, will include coal-bed methane wells in the Raton Basin of southeastern Colorado.

A public open house to kick off the study will be from 3 to 5 p.m. today at Rifle City Hall.

Coal-bed methane wells produce much more water than traditionally drilled wells. That's because methane gas is trapped in the coal beds by the pressure of water in the cleats, or fractures.

To release methane gas, water is pumped out. The study will consider if surface water seeps in to replace that water. Wolfe said the question is: "Is there an elephant? And how big is it?" He added, "We think it's very small in the Piceance Basin."

Almost 4,000 such wells have been drilled in Colorado, 3,600 of them in La Plata and Las Animas counties. The Piceance Basin has had more than 255 coal-bed methane wells drilled in Garfield and Rio Blanco counties. Wolfe said a similar study last year found the San Juan Basin of southwestern Colorado, which includes La Plata and Las Animas counties, had seen a 156 acre-foot-per-year drop in stream flows.

An acre-foot of water, or about 326,000 gallons, is enough to meet the average annual needs of one or two families. "That's really pretty small when you consider the base flow of the streams there is around 800 acre-feet a year," Wolfe said.

"It's calculable, but not really measurable. But we don't know if that will relate to the other two basins due to the different geologies."

In Garfield County, EnCana Oil and Gas has drilled 24 coal-bed methane wells south of Silt. EnCana spokeswoman Wendy Wiedenbeck said those wells have been shut in until an effective way to treat the produced water is found. No timeline has been developed on when the wells might be put into production, she said.

Other agencies involved in the study are the Colorado Geological Survey and Oil and Gas Conservation Commission.

A consultant, S.S. Papadopoulos & Associates, was hired to develop the study. Wolfe said recommendations could include further study or a change in *regulations or laws*.

Exxon developing Piceance site

Joe Mahoney © News © 2006

January 30, 2007

By Gargi Chakrabarty
Rocky Mountain News

Exxon Mobil is bolstering its Colorado business. The energy giant on Monday hired Washington Group International to manage engineering and construction work at its multimillion-dollar gas project in the Piceance Basin near Rifle, about 180 miles west of Denver.

Exxon is sitting on 35 trillion cubic feet of natural gas trapped in shale under 280,000 acres in the basin, enough to fuel the nation for almost two years. The Irving, Texas, company says it will drill a couple of hundred oil and gas wells and construct pipelines and production facilities through next year.

Observers say the Piceance project could cost more than \$500 million, although Exxon refuses to divulge its investment. "As energy demands increase, this regional source of gas is likely to be tapped more and more," said Gary Baughman, president of Washington Group's industrial/process business unit. "We're pleased to be working with Exxon Mobil to develop this new energy resource."

Engineering is under way in Washington Group's Denver office. The group also will work on other facilities including well pads, gathering pipelines, metering stations, separation facilities and an administration complex.

Greg Schnacke of the Colorado Oil & Gas Association said Exxon's strong interest in the region is evidence of the Piceance Basin's reputation as a prolific natural gas play.

In 2006 the state issued a record 5,904 drilling permits - hundreds of those in the Piceance Basin. That was 35 percent higher than 2005's 4,373 permits, which was nearly 50 percent more than 2004's 2,917. "From a practical standpoint, the Piceance Basin could very well become known as the largest natural gas field in the United States once it is fully developed," Schnacke said.

The company's renewed interest in Colorado concerns those who recall its past here. It was behind "Black Sunday" - May 2, 1982 - the day the company said it was ending its \$5 billion Colony shale project near Parachute and laying off 2,200 workers.

Parachute Mayor Roy McClung said even if Exxon were to shut down its gas business, it won't be like the 1980s because there are several other major energy companies in the area.

About the project

Exxon Mobil's 280,000 leased acres in the Piceance Basin near Rifle are estimated to contain 35 trillion cubic feet of natural gas, enough to supply the United States for nearly two years.

- Location: Rio Blanco County
- Project details: Drill about 200 wells using a patented deep-drilling technology; build a new gas treatment plant, gas and liquid gathering systems and pipelines, a water pipeline and evaporation pond, and a truck loading site.
- Construction: Began mid-2006 and to be complete by mid-2008.
- Employment: At the peak of construction, Exxon anticipates 500 employees and contractors.
- Investment: Undisclosed but estimated at \$500 million-plus.
- Production: More than 200 million cubic feet of gas per day. *Source: Exxon Mobil*

BP plans call for big jump in new wells

Oil firm to put \$2.4B into local

January 31, 2007

By Thomas Munro

Durango Herald

The leading gas producer in La Plata County announced Tuesday it will double the number of new wells it sinks each year to keep production levels high for the coming decade.

BP will pump \$2.4 billion into its operations in the county during the next 13 years, money that will pay for a new building, additional staff members, new technology and the drilling of 700 new wells in the areas already approved for infill. It also will pay for at least two new drill rigs to replace the single rig that has been operating in the county, substantially increasing the company's drilling potential in the area. "We've been averaging 50 wells a year since the turn of the century," said BP spokesman Dan Larson. "We can double that."

The move will temporarily reverse at least BP's part in a slow but steady decline in total production for the county since the peak year of 2003. According to a July 2006 *Durango Herald* analysis, the average take per well fell 10 percent, and total production fell 3.5 percent from 2003 to 2005. Although December numbers are not yet in, 2006 numbers appear to follow this pattern.

BP, which produced 52 percent of all the gas in La Plata County in 2005, said in a news release that the \$2.4 billion investment would allow it to increase its current net production by more than 20 percent and to maintain production above present levels for more than 10 years. The employment of new, more-expensive technologies also will allow it to remove more gas in total before closing the well.

With taxes paid by the gas industry accounting for 60 percent of the county's revenues, BP's decision may spell short-term relief for the county's coffers. But Josh Joswick, oil and gas coordinator for the San Juan Citizens Alliance, who had not been briefed by BP on Tuesday about the plan to accelerate drilling, said the plan appeared to raise questions. "Will this promote a boom-bust cycle by accelerating production?" Joswick asked.

Larson said BP's plan would do "quite the opposite. "Our investment represents a commitment to a level load," Larson said. "(This will allow us to) just keep going right on through (at the same production level), regardless of what happens in the market every day."

He said it was not possible to predict how the new plans would affect the working lifespan of the coal field, but he said BP encourages local governments to discuss long-term tax-revenue expectations.

Joswick said the plan also appeared to raise the question of whether accelerated drilling would hasten the day when BP would ask for 40-acre spacing, once again doubling the allowable density of wells. Larson said he was unable to answer the question because "it's just not something we are talking about (at this time)."

BP's investment plans include a new office building adjacent to its existing office on Airport Road. The building will provide additional space both for the existing work force - which has grown from 140 to 270 since 2003 - and for about 100 more employees, additions expected in the next three years, Larson said.

BP also will devote as much as \$6 million to community projects in the next five years. Larson said BP, currently the leading local contributor to the United Way, would be seeking investments "that can make a difference" in education and local economic development. These projects will include "employee engagement," in which employees give time to the community.

**OUTSTANDING ENVIRONMENTAL RESPONSE FUND, BOND CLAIM, AND SPECIAL APPROPRIATION PROJECTS
PLUGGING AND ABANDONMENT, RECLAMATION, AND ENVIRONMENTAL PROJECTS FOR ORPHANED LOCATIONS
FISCAL YEAR 2006 - 2007 PROJECTS**

PLANNED PROJECTS TYPE	COUNTY	PROJECT NAME	ESTIMATED			ACTUAL AMT. PAID	DESCRIPTION
			TOTAL	BOND	ERF		
ENV.	LOGAN	O SAND ORPHANED PIT FEASIBILITY STUDY	\$8,000	\$0	\$8,000	\$0	Evaluate environmental remediation alternatives at pits found to be impacted with oil/tar proximate to the West Padroni Field.
ENV.	LOGAN	GREEN B-1 SALT KILL	\$10,000	\$0	\$10,000	\$0	Remediate produced water-impacted soils.
ENV.	LOGAN	RAMEY SALT KILL	\$10,000	\$0	\$10,000	\$0	Remediate produced water-impacted soils.
ENV.	LOGAN	WHITTIER SALT KILL	\$5,000	\$0	\$5,000	\$0	Re-seed remediated salt kill area.
ENV.	WELD	ELLER 2-14 SALT KILL	\$5,000	\$0	\$5,000	\$0	Re-seed remediated salt kill area.
ENV.	WELD	STATE A2 SALT KILL	\$5,000	\$0	\$5,000	\$0	Re-seed remediated salt kill area.
ENV.	VARIOUS	ERF WELL SOIL GAS INVESTIGATION	\$150,000	\$0	\$0	\$150,000	Perform soil gas surveys near wells that were formerly plugged by COGCC.
PLUG.	VARIOUS	HOFFMAN AND STATE PYLE WELLS ABANDONMENT	\$75,000	\$0	\$75,000	\$0	Plug and abandon three wells. Reclaim surface.
REC.	VARIOUS	ORPHAN WELL RECLAMATION ADAMS & YUMA COUNTIES	\$20,000	\$0	\$20,000	\$0	Surface reclamation around orphaned wells
REC.	VARIOUS	ORPHAN WELL RECLAMATION MORGAN & WELD COUNTIES	\$15,000	\$0	\$15,000	\$0	Surface reclamation around orphaned wells
		TOTALS =>	\$303,000	\$0	\$153,000	\$150,000	\$0

PENDING PROJECTS TYPE	COUNTY	PROJECT NAME	ESTIMATED			ACTUAL AMT. PAID*	DESCRIPTION
			TOTAL	BOND	ERF		
ENV.	LA PLATA	BRYCE 1X ENVIRONMENTAL MONITORING AND REMEDIATION	\$131,000	\$0	\$0	\$131,000	Gas monitoring and groundwater sampling.
ENV.	LOGAN	O SAND ORPHANED PIT ASSESSMENT	\$24,990	\$0	\$24,990	\$0	Delineate the extent of oil/tar impact at eight pits proximate to the West Padroni Field to estimate volumes requiring remediation.
ENV.	MONTEZUMA	SIERRA FIELD ELLIS #6 ASSESSMENT AND REMEDIATION	\$25,000	\$0	\$25,000	\$0	Delineate extent of hydrocarbon-impacted soils and remediate soils if necessary.
PLUG.	GARFIELD	PITTINGER #1 ABANDONMENT	\$20,000	\$2,500	\$17,500	\$0	Prepare location for plugging. Plug and abandon well. Reclaim surface and access road.
PLUG.	MOFFAT	BELNAP #1 ABANDONMENT	\$35,000	\$5,000	\$30,000	\$0	Plug and abandon well. Reclaim surface and pit.
REC.	ADAMS	MONAGHAN #1 AND #2 RECLAMATION	\$9,800	\$0	\$9,800	\$0	Monaghan #1: Remove gathering line, steel posts and weeds. Re-grade and place grass seed over disturbed areas. Monaghan #2: Remove and dispose of junk and trash on site. Demolish, transport and dispose of unit concrete pad. Re-grade and place grass
	VARIOUS	MEDIA COSTS	\$2,000	\$0	\$2,000	\$0	
		TOTALS =>	\$247,790	\$7,500	\$109,290	\$131,000	\$57,992

COMPLETED PROJECTS TYPE	COUNTY	PROJECT NAME	ESTIMATED			ACTUAL AMT. PAID	DESCRIPTION
			TOTAL	BOND	ERF		
ENV.	JEFFERSON	PALLAORO, LILLIE #1 & #1A SOIL GAS AND GROUNDWATER ASSESSMENT	\$5,000	\$0	\$5,000	\$0	Perform a soil gas survey and collect water samples from nearby water wells.
PLUG.	LA PLATA	BRYCE 1X ABANDONMENT	\$352,400	\$0	\$0	\$352,400	Plug and abandon well. Reclaim surface and pit.
REC.	MONTEZUMA	SIERRA FIELD RECLAMATION	\$4,700	\$0	\$4,700	\$0	Dig up and cut well heads, haul off remains, and re-contour surface. Dig up and cut/remove electric line at Goff #5.
		TOTALS =>	\$362,100	\$0	\$9,700	\$352,400	\$351,140
		ESTIMATED					
		TOTAL	\$912,890	\$7,500	\$271,990	\$633,400	ACTUAL AMT. PAID*
		GRAND TOTALS =>				\$633,400	\$409,132

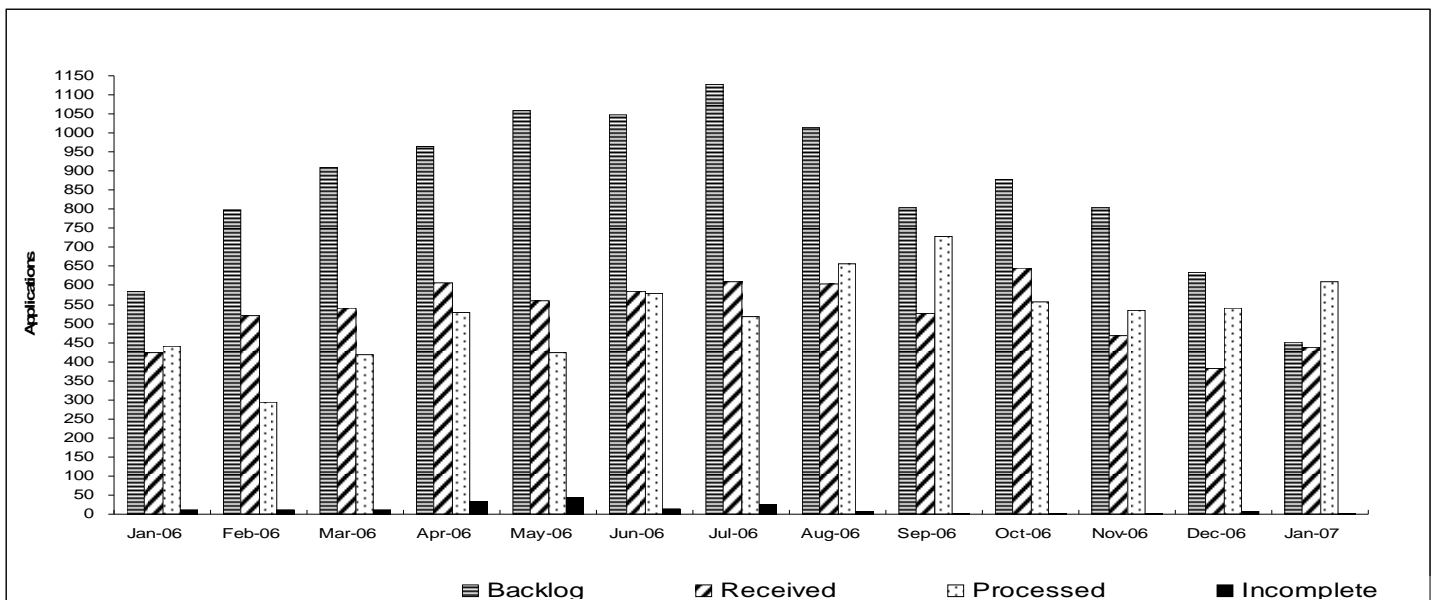
* Note: Special amount for Bryce 1X Environmental Monitoring and Remediation includes costs from the commencement of the project during Fiscal Year 2005 - 2006

Colorado Oil & Gas Conservation Commission

Monthly Breakout of Drilling and Recompletion Permits

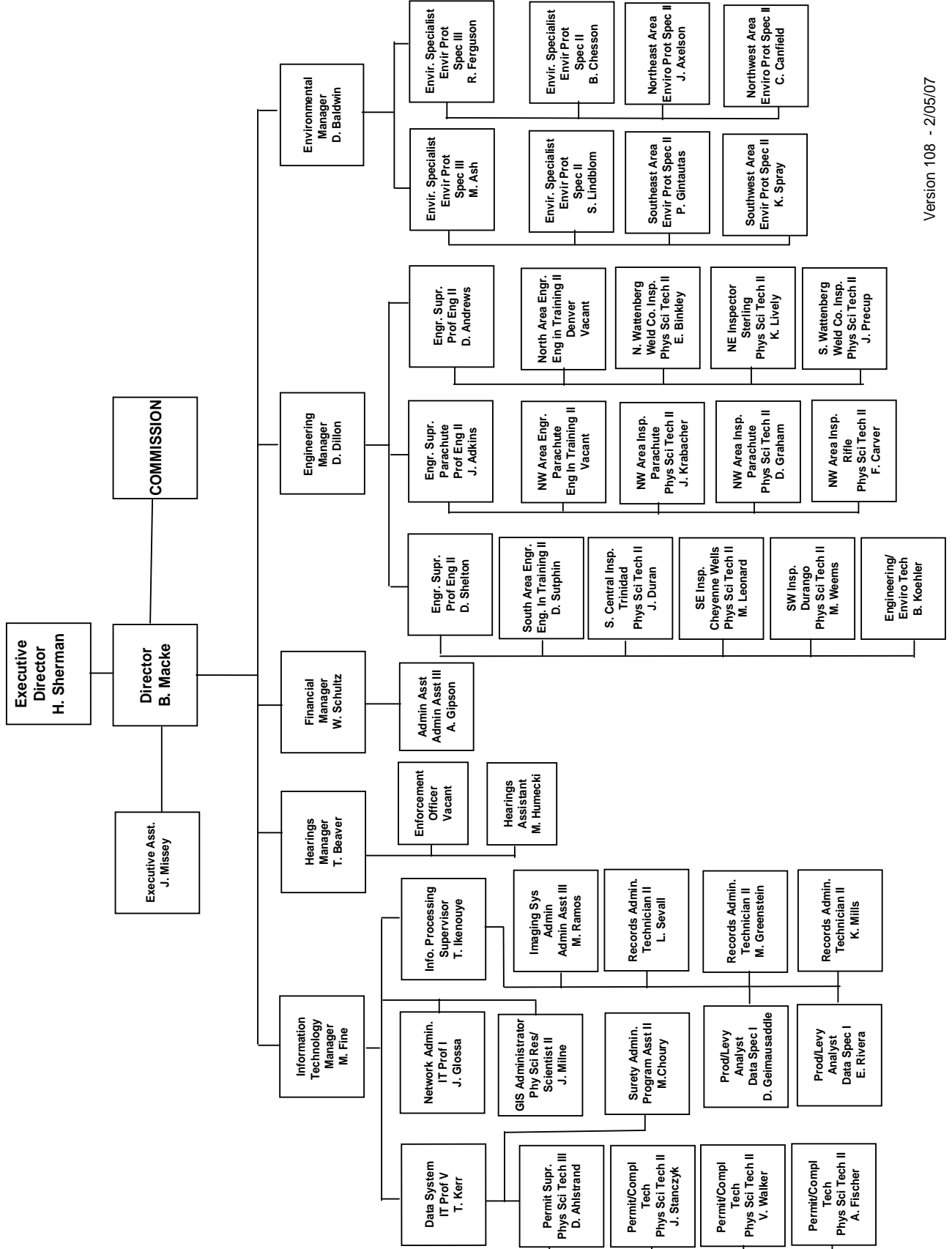
	Backlog	Received	Processed	Withdrawn	Rejected	Incomplete	In-Process	Remaining
Drilling								
Jan-06	597	396	420	24	0	11	538	549
Feb-06	549	501	266	14		12	758	770
Mar-06	770	508	392	8	0	12	866	878
Apr-06	878	594	501	24	0	32	915	947
May-06	947	532	398	41	0	44	996	1040
Jun-06	1040	548	563	19	0	13	993	1006
Jul-06	1006	571	482	9	0	26	1060	1086
Aug-06	1086	578	626	58	0	7	973	980
Sep-06	980	498	698	9	0	4	767	771
Oct-06	771	620	532	15	0	3	841	844
Nov-06	844	450	511	6	0	2	775	777
Dec-06	777	375	515	10	0	7	620	627
Jan-07	627	418	603	8	0	3	431	434
Recompletion								
Jan-06	29	28	21	0	0	0	36	36
Feb-06	36	20	27	0	0	0	29	29
Mar-06	29	31	26	2	0	0	32	32
Apr-06	32	13	27	1	0	0	17	17
May-06	17	29	26	2	0	1	17	18
Jun-06	18	38	15	0	0	0	41	41
Jul-06	41	38	36	0	0	0	43	43
Aug-06	43	26	32	3	0	0	34	34
Sep-06	34	29	30	0	0	0	33	33
Oct-06	33	26	24	0	0	0	35	35
Nov-06	35	17	25	0	0	0	27	27
Dec-06	27	7	26	0	0	0	8	8
Jan-07	8	20	7	2	0	0	19	19
Total								
Jan-06	626	424	441	24	0	11	574	585
Feb-06	585	521	293	14	0	12	787	799
Mar-06	799	539	418	10	0	12	898	910
Apr-06	910	607	528	25	0	32	932	964
May-06	964	561	424	43	0	45	1013	1058
Jun-06	1058	586	578	19	0	13	1034	1047
Jul-06	1047	609	518	9	0	26	1103	1129
Aug-06	1129	604	658	61	0	7	1007	1014
Sep-06	1014	527	728	9	0	4	800	804
Oct-06	804	646	556	15	0	3	876	879
Nov-06	879	467	536	6	0	2	802	804
Dec-06	804	382	541	10	0	7	628	635
Jan-07	635	438	610	10	0	3	450	453

Incomplete are permits that have missing or inaccurate data and cannot be approved.



Backlog = Incomplete + In-process = Remaining permits from previous month

COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION



Colorado Oil Gas Conservation Commission
Monthly Statistics

YEAR	MO	Baker - Hughes rig count	Permits												Unedited Historic Records	Public Visits			Well Oper Change
			Drilling		Recompletion		Injection		Pits		Active Wells	Data	Office	Internet					
			Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd		Apvd	Rcvd	Apvd	Rcvd				
2004	Total		2917	3120	145	164	25	22	22	242	219				550	549	423127	5806	
2005	JAN	65	263	299	7	36	0	3	8	7	27262	0			60	41	49839	2357	
	FEB	70	251	343	29	14	1	1	17	10	27427	0			44	71	51277	378	
	MAR	73	339	416	33	27	4	4	36	26	27595	0			59	34	60298	432	
	APR	69	420	414	14	25	1	1	26	27	27723	0			58	56	52606	394	
	MAY	65	340	319	13	8	0	3	25	35	27853	0			46	43	58881	308	
	JUN	69	340	365	13	8	2	3	58	63	28032	0			58	33	51402	403	
	JUL	69	314	362	19	23	3	5	50	39	28164	0			50	33	53182	365	
	AUG	75	379	508	9	27	5	5	25	76	28364	0			67	50	56820	679	
	SEP	78	391	461	24	15	3	1	101	60	28631	0			57	48	62058	513	
	OCT	86	437	499	19	21	1	0	27	70	28720	0			51	47	66542	462	
	NOV	85	368	534	14	15	0	4	72	25	28866	0			61	40	62880	626	
	DEC	83	531	390	15	26	3	0	33	47	28952	0			58	44	61024	774	
2005	Total		4373	4910	209	245	23	30	478	485					669	540	686809	7691	
	JAN	84	420	396	21	28	2	1	21	3	29181	0			69	61	73154	674	
	FEB	84	266	501	27	20	0	8	4	5	29384	0			25	58	73190	454	
	MAR	81	392	508	26	31	0	8	3	1	29751	0			35	92	105602	531	
	APR	88	501	594	27	13	6	6	34	23	29907	0			30	152	88082	804	
	MAY	89	398	532	26	29	0	4	19	22	30185	0			52	60	88825	621	
	JUN	90	563	548	15	38	1	2	42	47	30324	0			64	61	88661	1244	
	JUL	92	482	571	36	38	7	4	41	59	30397	0			71	44	85027	888	
	AUG	93	626	578	32	26	2	0	27	33	30613	0			40	102	78339	473	
	SEP	94	698	498	30	29	7	1	50	33	30732	0			78	48	79705	746	
	OCT	92	532	620	24	26	3	1	34	45	30805	0			20	68	89950	588	
	NOV	88	511	450	25	17	3	1	19	19	30985	0			37	91	75569	386	
	DEC	91	515	375	26	7	0	0	15	3	31096	0			10	60	86182	261	
2006	Total		5904	6171	315	302	31	36	309	293					531	897	1012286	7670	
	JAN	96	603	418	7	20	3	0	1	26	31297	0			20	79	100089	184	
2007	Total		603	418	7	20	3	0	1	26					20	79	100089	184	

Apvd = Approved, Rcvd = Received, Ind = Individual, Blnkt = Blanket, Apps = Application for Hearing, NOAV = Notice of Alleged Violation, AOC = Administrative Order of Consent, OFV = Order Finding Violation, Crmpt = Complaint, Comp = Completed

Colorado Oil Gas Conservation Commission
Monthly Statistics

YEAR	MO	Operators		Release		Bonds		Claim		Hearings		Violations		Remediation		Field		
		New	Inactive	Ind.	Blinkt	Ind.	Replace	Ind.	Blinkt	Apps.	Order	NOAV	AOC	Spills	Rcvd	Comp	Insp	Field
2004	Total	105	63	55	36	118	0	2	62	50	235	29	3	154	230	53	60	7716
2005	JAN	10	3	3	7	10	0	1	8	3	18	0	1	12	20	9	3	623
	FEB	8	6	4	2	13	0	1	6	6	6	0	0	11	23	9	2	530
	MAR	8	10	8	3	12	0	0	3	5	6	0	0	21	21	12	14	725
	APR	10	5	7	4	13	0	0	8	4	16	0	1	26	22	15	9	428
	MAY	9	5	7	5	14	0	1	NA	NA	15	NA	NA	10	34	3	1	697
	JUN	15	11	2	5	14	0	0	10	7	20	3	0	13	39	15	7	651
	JUL	14	9	7	5	14	0	0	8	4	37	0	0	22	28	14	2	538
	AUG	10	2	1	2	6	0	0	4	3	36	0	0	19	28	10	4	566
	SEP	17	5	7	5	12	0	0	4	3	15	0	0	24	31	14	8	709
	OCT	14	4	6	2	12	0	0	8	8	34	0	0	35	23	3	8	499
	NOV	18	9	3	6	12	1	16	NA	NA	14	NA	NA	25	22	18	11	780
	DEC	12	3	5	2	17	1	4	15	8	38	2	2	13	39	12	3	751
2005	Total	145	72	60	48	149	2	23	74	51	255	5	4	231	330	134	72	7497
	JAN	15	5	17	5	13	0	0	14	10	5	2	1	21	31	8	18	1090
	FEB	16	2	6	4	14	0	0	11	6	11	2	0	19	37	9	2	951
	MAR	13	5	5	3	16	0	1	11	5	43	1	2	20	33	29	13	682
	APR	14	8	5	8	13	1	0	9	11	33	0	0	34	38	14	3	606
	MAY	12	5	6	4	10	0	0	NA	NA	16	NA	NA	29	23	14	6	1030
	JUN	18	3	2	8	18	0	0	18	15	11	2	0	20	34	17	10	813
	JUL	10	9	2	7	8	0	0	17	11	12	1	2	31	31	13	8	658
	AUG	9	11	7	5	13	0	0	12	6	13	0	0	41	24	35	6	694
	SEP	10	4	3	5	11	0	0	12	7	37	2	0	30	12	7	8	489
	OCT	9	5	3	5	21	0	0	12	11	30	0	0	23	25	29	9	655
	NOV	12	2	3	5	20	0	0	17	16	22	2	0	21	19	14	12	819
	DEC	9	5	3	3	10	0	0	NA	NA	13	NA	NA	18	23	11	2	551
2006	Total	147	64	62	62	167	1	1	133	98	246	12	5	307	330	200	97	9038
	JAN	15	0	2	2	12	0	0	20	10	14	1	0	14	20	20	2	592
2007	Total	15	0	2	2	12	0	0	20	10	14	1	0	14	20	20	2	592

HEARING DOCKET: March 2007

PRELIMINARY 02/08/2007						
Docket Number	Cause	Applicant/Attorney or Representative	Application Received	Field Formation County	Matter	Remarks
0701-UP-01	1 & 407	Mineral Resources, Inc./ Keith M. Crouch	10/10/2006	Wattenberg Sussex,Codell-Niobrara, "J"-Sand, Dakota Weld	Request for an order pooling all nonconsenting interests in the 160-acre drilling and spacing unit consisting of the E½ SW¼ and W½ SE¼ of Section 17, Township 5 North, Range 65 West, 6th P.M.	Continued from January and February
0701-UP-02	1 & 407	Mineral Resources, Inc./ Keith M. Crouch	10/10/2006	Wattenberg Sussex,Codell-Niobrara, "J"-Sand, Dakota Weld	Request for an order pooling all nonconsenting interests in the 160-acre drilling and spacing unit consisting of the S½ NE¼ and N½ SE¼ of Section 17, Township 5 North, Range 65 West, 6th P.M.	Continued from January and February
0701-UP-03	1 & 407	Mineral Resources, Inc./ Keith M. Crouch	10/10/2006	Wattenberg Sussex,Codell-Niobrara, "J"-Sand, Dakota Weld	Request for an order pooling all nonconsenting interests in the 160-acre drilling and spacing unit consisting of the S½ SW¼ of Section 16 and the N½ NW¼ of Section 21, Township 5 North, Range 65 West, 6th P.M.	Continued from January and February
0701-UP-04	1 & 407	Mineral Resources, Inc./ Keith M. Crouch	10/10/2006	Wattenberg Sussex,Codell-Niobrara, "J"-Sand, Dakota Weld	Request for an order pooling all nonconsenting interests in the 80-acre drilling and spacing unit consisting of the N½ NW¼ of Section 21, Township 5 North, Range 65 West, 6th P.M.	Continued from January and February
0701-UP-05	1 & 407	Mineral Resources, Inc./ Keith M. Crouch	10/10/2006	Wattenberg Sussex,Codell-Niobrara, "J"-Sand, Dakota Weld	Request for an order pooling all nonconsenting interests in the 160-acre drilling and spacing unit consisting of the SW¼ of Section 17, Township 5 North, Range 65 West, 6th P.M.	Continued from January and February
0701-UP-06	1 & 407	Mineral Resources, Inc./ Keith M. Crouch	10/10/2006	Wattenberg Sussex,Codell-Niobrara, "J"-Sand, Dakota Weld	Request to pool all nonconsenting interests in the 80-acre drilling and spacing unit consisting of the S½ NE¼ of Section 17, Township 5 North, Range 65 West, 6th P.M.	Continued from January and February
0701-SP-04	139	Williams Production RMT Co./ William A. Keefe	11/20/2006	Rulison Williams Fork Garfield	Request for an order to vacate the S½ 320-acre drilling and spacing unit in Section 32, Township 6 South, Range 94 West, 6th P.M. and establish two (2) 160-acre drilling and spacing units consisting of the SW¼ and SE¼ of Section 32, Township 6 South, Range 94 West, 6th P.M.	Continued from January and February

0701-SP-03	399	Delta Petroleum Corp./ Michael J. Wozniak	11/20/2006	Vega Mesaverde Group Mesa	Request for an order to allow the equivalent of one (1) well per 20 acres for certain lands in Township 10 South, Range 93 West, 6th P.M., with the permitted well to be located no closer than 200 feet from the lease line.	Continued from January and February
0702-OV-2	1V	Staff Recommendation	11/29/2006	Brandon Mississippian-Spergen Kiowa	Request for an Order Finding Violation finding Shelby Resources LLC. in violation of Rule 319.b., failure to abandon a well within six (6) months of ceased production, Rule 326.b.(1) failure to perform a mechanical integrity test on a shut-in well within two (2) years of initial shut-in date for the Andrew Jackson #1 Well located in the SW¼ SW¼ of Section 19, Township 18 South, Range 45 West, 6th P.M., and Rule 1004.a. all debris, abandoned gathering line risers, flowline risers, and surface equipment shall be removed within three (3) months of plugging a well, for the CGA #1-30 Well located in the SW¼ NE¼ of Section 30, Township 18 South, Range 45 West, 6th P.M.	Continued from February
0703-AW-06	440	PetroHunter Corp./ David R. Little/Robert C. Mathes	2/2/2007	Parachute Williams Fork Garfield	Request for an order to allow the equivalent of one (1) well per 10 acres, with the permitted well to be located no closer than 100 feet from the unit boundary for the 40-acre drilling and spacing unit consisting of the NE¼ SW¼ of Section 15, Township 7 South, Range 95 West, 6th P.M.	
0703-AW-07	527	Whiting Oil and Gas Corp./ William A. Keefe	1/19/2007	Sulfur Creek Williams Fork/lles/Sego Rio Blanco	Request for an order to allow the equivalent of one (1) well per 10 acres, with the permitted well to be located no closer than 100 feet for the Williams Fork Formation and no closer than 400 feet for the lles and Sego Formations, from the outside boundary in the NE¼ NE¼ of Section 27, Township 2 South, Range 98 West, 6th P.M.	
0703-UP-09	407	Blue Chip, Inc./ Keith M. Crouch	2/1/2007	Wattenberg Codell-Niobrara Weld	Request for an order pooling all nonconsenting interests in the 80-acre drilling and spacing unit consisting of the W½ NE¼ of Section 12, Township 3 North, Range 68 West, 6th P.M.	
0703-SP-09	139	Noble Energy Inc./ Gregory R. Danielson/Jamie L. Jost	1/31/2007	Rulison Williams Fork/lles Garfield	Request for an order to establish 40-acre drilling and spacing units for the Williams Fork and lles Formations, and to allow the equivalent of one (1) well per 10 acres, with the permitted well to be located no closer than 100 feet for the Williams Fork and lles Formations from the unit boundary for certain lands in Township 7 South, Ranges 94 and 95 West, 6th P.M.	

0703-SP-10	139	Williams Production RMT Co./ William A. Keefe	2/2/2007	Rulison Williams Fork/lles Garfield	Request for an order to vacate the SE $\frac{1}{4}$ SE $\frac{1}{4}$ from the 320-acre drilling and spacing unit in the E $\frac{1}{2}$ of Section 26, Township 6 South, Range 95 West, 6th P.M. and establish an approximate 40-acre drilling and spacing unit for the Williams Fork Formation, and to allow the equivalent of one (1) well per 10 acres, with the permitted well to be located no closer than 100 feet from the outside boundary of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 26.	
0703-SP-11	191	Antero Resources Piceance Corp./ William A. Keefe	2/1/2007	Mamm Creek Williams Fork/lles Garfield	Request for an order to establish a 320-acre drilling and spacing unit for the S $\frac{1}{2}$ of Section 5, Township 6 South, Range 92 West, 6th P.M. and to allow the equivalent of one (1) well per 10 acres, with the permitted well to be located no closer than 100 feet for the Williams Fork and lles Formations from the unit boundary.	
0703-SP-12	191	Antero Resources Piceance Corp./ William A. Keefe	1/19/2007	Mamm Creek Williams Fork/lles Garfield	Request for an order to establish a 320-acre drilling and spacing unit for the S $\frac{1}{2}$ of Section 1, Township 6 South, Range 93 West, 6th P.M. and to allow the equivalent of one (1) well per 10 acres, with the permitted well to be located no closer than 100 feet for the Williams Fork and lles Formations from the unit boundary.	