



DEPARTMENT OF NATURAL RESOURCES
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DATE: June 5, 2006

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MONTHLY STAFF REPORT

I. STATISTICS

- ◆ Our monthly statistics report is attached. As of May 25, 2006, there have been 1,879 Applications for Permits-to-Drill (“APDs”) approved. At that pace, it is estimated that approximately 4,729 APDs will be approved in calendar year 2006. This represents an increase from the previous record high of 4,363 APDs approved in 2005, which was nearly 50% higher than the 2,917 APDs approved in 2004.
- ◆ The 2006 drilling permit totals for the top six counties as of May 25th are:

County	2006 (% of Total)	2005	2004
Garfield	577 (31%)	1508	796
Weld	419 (22%)	901	832
Yuma	227 (12%)	782	237
Las Animas	144 (7%)	413	332
Rio Blanco	118 (6%)	161	154
Mesa	100 (5%)	136	54

- ◆ 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 May 25, 2006. The summary shows the number of 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	4,314	2,923 (68%)	1,391 (32%)	745 (17%)	646 (15%)	637 (15%)	7 (<1%)	2 (<1%)
2006 as of 5/25/06	1,861	1305 (70%)	556 (30%)	357 (19%)	199 (11%)	199 (11%)	0 (0%)	0 (0%)

II. NORTHWEST COLORADO

Attached are newspaper articles of local interest.

- ◆ Northwest Colorado Oil and Gas Forum

The next meeting of the Northwest Colorado Oil and Gas Forum is scheduled for Thursday, June 15, 2006, from 10:00 a.m. until 2:00 p.m. at the Garfield County fairgrounds in Rifle. 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

The COGCC has received funding to conduct the Piceance Basin Phase IV Baseline Water Quality Study (Phase IV). This is the fourth in a series of baseline water quality sampling projects the COGCC staff have conducted in the Piceance Basin of Colorado. Phase IV will help to document ground water quality in a portion of Garfield County between the towns of New Castle and Rifle, north of the Colorado River in portions of Township 6 South, Ranges 91 through 93 West, and Township 5 South, Ranges 91 and 92 West. This area has had little previous drilling activity and has no producing oil and gas wells yet. Future oil and gas activity is anticipated in this portion of Garfield County.

Samples will be collected from approximately 70 water wells and submitted to laboratories for chemical and isotopic analysis, including general water quality parameters, the presence and composition of gas, and benzene, toluene, ethylbenzene, and xylenes (BTEX) compounds.

The contract between COGCC and S.S. Papadopoulos & Associates has been reviewed by all parties and is being circulated to various agencies for final approval. The COGCC staff anticipates starting this project in June 2006 and completing it by late December 2006.

◆ Local Project Status Update

URS Corporation (URS) has completed the Phase I Hydrogeological Characterization Project in Garfield County south of Rifle and Silt. The report is available on the COGCC website (www.oil-gas.state.co.us, Library, Piceance Basin). Garfield County and COGCC staffs are in the process of evaluating the recommendations for Phase II.

◆ 4th Annual EnCana Energy EXPO/Job Fair – Garfield County

The COGCC participated in the EnCana-sponsored Energy EXPO/Job Fair held on Wednesday, May 3, 2006, at the Garfield County Fair Grounds in Rifle, Colorado. This was the fourth of these annual events, which provides an opportunity for the public to talk one-on-one with representatives of the oil and gas industry, industry contractors, as well as representatives of government oil and gas regulatory agencies. COGCC staff members Jaime Adkins, Bob Chesson, Dave Graham, and Jay Krabacher staffed the COGCC exhibit booth, answered questions, and provided educational material to the public. The COGCC online information system graphics and database capabilities once again were very popular with EXPO attendees visiting the COGCC booth.

This year a morning session was added that provided an opportunity for local high school students to attend the EXPO and to discuss both job opportunities for graduates and energy resource issues. An estimated 1,100 to 1,500 people attended, providing an excellent opportunity for public outreach. COGCC staff would like to commend EnCana for their continued outstanding effort sponsoring this event in Garfield County, which is experiencing an unprecedented level of oil and gas activity.

III. SOUTHWEST COLORADO

◆ Coalbed Methane (“CBM”) Stream Depletion Assessment Study

The final report for this study is now available on the Division of Water Resources website (www.water.state.co.us) and a link to the report is also posted on the COGCC website homepage (www.oil-gas.state.co.us). Written comments about the report should be sent to Dick Wolfe, Assistant State Engineer via email (dick.wolfe@state.co.us) or via surface mail to Office of the State Engineer, 1313 Sherman St., Suite 818, Denver, CO 80203. Written comments will be evaluated by DWR, CGS, COGCC staffs and our consultant. A public presentation on the results of the project will be held on June 27, 2006, from 5:00 – 7:30 PM at the Durango Community Recreation Center. The notice for this meeting has been posted on the COGCC website homepage, sent to GORT members, and will be noticed in the local newspaper. See the attached announcement on page 14 for more details. A presentation will be made to the Commission after comments have been compiled and reviewed, and responses have been written.

◆ 2005 Fruitland Outcrop Monitoring Report - La Plata County

The report of the results of the 2005 Fruitland Formation outcrop monitoring is available on the COGCC website (www.oil-gas.state.co.us, Library, San Juan Basin). The detailed mapping event was performed from June 8, 2005, through June 17, 2005. The Pine River subdivision was added to the outcrop monitoring this year. The detailed seep mapping generally showed that methane concentrations in historically active seep areas are higher than previously detected. The higher methane concentrations were most evident at the historical seep areas in the Florida River, Texas Creek, and the upland areas of Carbon Junction. In general, the methane concentrations and/or seep extent at other locations across the study area appear to be relatively consistent with previous years. This was the first detailed mapping performed at the Pine River subdivision that used the same methods used elsewhere; therefore, an analysis of gas seepage trend was not possible. A presentation to the Commission of the results of the outcrop monitoring is tentatively scheduled for the July 2006 hearing.

◆ Ongoing Investigation, Reclamation, and Mitigation of Explosion in Bondad, Colorado Area

The COGCC staff is preparing the contracts necessary to hire A-Plus Well Service of Farmington, NM, to begin the re-entry of the Bryce 1X Well. A-Plus will drill out the surface plug at a depth of 20 feet using a diverter system for well control. They will then proceed to clean out the wellbore and set surface casing at 350 feet. If possible, the COGCC will also use A-Plus Well Service to finish plugging the well below surface casing. If that is not possible, the COGCC will contract Aztec Well Service to finish plugging the well. The work on the Bryce 1X Well is expected to commence shortly after the Department Contracting process is complete.

◆ Delta County Orphaned Well Plugging

COGCC Field Inspector Dave Graham completed two ERF projects under a co-operative agreement with the U.S. Department of the Interior Bureau of Land Management. He facilitated the re-plugging and abandonment of two 1950's vintage wells, the Cline Federal #1 (API# 029-05018) and #2 (API# 029-05017) wells near Austin in Delta County. The work included excavation and hot tapping for each of the wells due to BLM concerns about H²S in the area.

The Cline Federal #1 Well was re-entered by the COGCC and properly plugged with cement in a manner meeting current standards. It had low amounts of H²S present and exhibited a significant CO² and high TDS water flow while hot tapped prior to re-plugging. The re-plugging was successful at isolating the gas and water flows.

The Cline Federal #2 Well did not require re-entry and re-plugging after hot tapping showed the well to be properly plugged.

The wellheads were cut off below ground level and plates with well identification were welded on. Both locations were backfilled and re-contoured to natural grade. The re-seeding will be done by the BLM staff. The work was completed on May 15, 2006, at a total cost of approximately \$20,851. Dave Graham is to be commended for his work on this project.

◆ Gas and Oil Regulatory Team (GORT) Meeting

The next GORT meeting is scheduled for September 7, 2006, at 8:30 A.M. at the La Plata County Fairgrounds.

◆ Fruitland Gas Seep Mitigation Meeting

The La Plata County Energy Council's Christi Zeller has been coordinating industry meetings regarding mitigation of gas seepage from the Fruitland Formation. The industry participants are divided into three (3) subcommittees: one to address conditions south of the Southern Ute Indian Tribal boundary (SUIT Line), one to address characterizing and monitoring seeps with an emphasis on protecting public health, safety and welfare and the environment north of the SUIT Line, and one to identify and implement pilot mitigation project(s) north of the SUIT Line. On May 11, 2006, Debbie Baldwin participated in a meeting with the characterizing/monitoring subcommittee.

In addition, COGCC staff and industry had LT Environmental (LTE) prepare a report entitled "Preliminary Evaluation of Methane Seepage Mitigation Alternative". Copies of this report have been sent to the Commissioners and it is also available on the COGCC website: www.oil-gas.state.co.us, Library, Area Reports, San Juan Basin, 4M Project Reports. It is intended to be a "living document" so that comments from the public are welcome. As methods for mitigating methane seepage are tried, some may be eliminated from the list as ineffective or not applicable and other methods may be added.

◆ 3M Monitoring Well Report

The May 2006 report of the results of ongoing monitoring of the COGCC's seven (7) monitoring wells has been posted to the COGCC website: www.oil-gas.state.co.us, Library, Area Reports, San Juan Basin, 3M Project Reports, Monitoring Well Reports. Monitoring well MW 35-7-8-2 appears to be leaking. An inspection of all of the wells will be made in June or July 2006 and any necessary repairs will be made.

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. The GWA Baseline Study will sample gas wells and water wells in selected areas of the GWA, primarily in Weld County. Because of recently amended Rule 318A., increased oil and gas activity is anticipated in this portion of the D-J Basin.

Approximately seventy-eight (78) gas wells and eleven (11) Laramie/Fox Hills water wells in selected townships within the GWA will be sampled. The contract for this project will be a competitive bid and open to all interested parties. The request for proposal (RFP) was posted to the Colorado Department of Personnel and Administration, Division of Finance and Procurement State Purchasing Office's web page on May 23, 2006. An announcement about the RFP and link to the Purchasing Office web page is also posted on the COGCC home page. Staff anticipates that the project will be completed by late December 2006.

◆ Wellington Field Water Treatment Project – Larimer County

Wellington Operating and Mr. Richard Sewell (Wellington Water Works or W3) began operating in early April 2006. Bob Chesson toured the facility on April 21, 2006. The tour was conducted by Steve Rogers of Stewart Environmental Consultants, Inc., the firm that constructed and is now operating the facility for W3. Initial treatment volumes have ranged from 60 to 80 gallons per minute (gpm) and the W3 facility is operational 4 to 6 hours per day. Maximum treatment capacity for the W3 facility will be 100 gpm; however, the facility is undergoing some initial operational limitations on volume through-put and has not yet reached full treatment capacity. A short slide show presentation of the facility and operations was made at the May 2006 hearing.

V. SOUTHEAST COLORADO

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

On July 1, 2006, as part of the FY 2006-2007 budget, the COGCC will receive funding to conduct a Phase II Raton Basin Seep Mapping Project in Las Animas and Huerfano Counties. The Phase II Study will involve four tasks, including a ground survey of both counties to identify gas seeps, detailed field mapping of identified seeps, and collecting and analyzing samples from gas and water wells. The Phase II data will be compared to data collected in the Phase I Raton Basin Baseline Project, which was conducted in 2000 through 2002. This comparison will allow the COGCC to track changes in the location and extent of gas seepage. It will also identify areas where gas seepage has the potential to impact public health, safety and welfare, and the environment, and to develop mitigation strategies. It is currently estimated that a Request for Proposal for this work will be prepared and posted by October 2006.

VI. ORGANIZATION

◆ Staff Organization

Four (4) new Environmental Protection Specialist positions are in the process of being posted by DNR – Human Resources to the Department of Personnel and Administration website. A link to this website is provided on the COGCC homepage, www.oil-gas.state.co.us.

Teri Ikenouye is the new Information Processing Supervisor. She will be supervising the Production and Levy Team, the Public Room Staff, Data Entry and the Imaging Group. Teri started with the COGCC on May 8, 2006, and has over eleven years of oil and gas administrative experience working at an oilfield drilling bit company in Denver.

VII. PLANNING/ADMINISTRATION/OTHER

◆ Public Outreach Opportunities

David Dillon and Mark Weems attended the Four Corners Oil and Gas Conference in Farmington, New Mexico, on May 10th and 11th. This conference is held every two years and brings together representatives of oil companies, service companies, and equipment manufacturers doing business in the Four Corners area. Regulatory agencies from Utah, Colorado, and New Mexico also attend. Dave presented two speeches at the conference. The first talk discussed new COGCC rules and regulations and highlighted new on-site inspection

policy, new noise rules, and new pipeline regulations. The second speech reviewed the recent revision to the Fruitland Coal spacing order allowing two additional Fruitland Coal wells to be drilled in each 320 acre drilling unit in La Plata County, Colorado. This speech specifically discussed the geologic and engineering information presented to the Commission showing the necessity of allowing additional wells to be drilled.

Brian Macke has been invited to provide a presentation on COGCC regulation and oil and gas development trends at the June 2006 workshop of the Wildlife Commission during a session on oil and gas issues in Trinidad on June 8, 2006. Other participants in the session will be the Las Animas County Attorney and Division of Wildlife staff.

Brian Macke will be providing an update on oil and gas development and regulation in Colorado during the Regional Update portion of the Western States Policy Update program at the Independent Petroleum Association of Mountain States (IPAMS) 2006 Annual Meeting and Summer Conference in Aspen on June 9, 2006.

◆ Notice to Operators – Setting Conductor Pipe

On April 6, 2006, the COGCC released a Notice to Operators concerning the setting of conductor pipe. The Notice clarifies and prescribes the procedures operators are to use when setting conductor pipe prior to moving in and rigging up to drill a well. During the past year there have been an increasing number of requests for the requirements to set conductor pipe for wells planned on a common pad prior to the approval of a drilling permit. The Notice explains the documents necessary to gain approval for setting the conductor pipe, the safety procedures that are required to be in place after the conductor pipe is set, and the ongoing performance and reporting requirements. The Notice is listed in the Announcements section on the homepage of the COGCC website and the link takes the user directly to the document. The Notice can also be accessed from the “Rules” button within the navigation pane on the left side of the COGCC website. In the “Rules” section, the Notice is listed under “Policies” on the right side of the page. The conductor pipe Notice to Operators is attached on page 20.

◆ Noise Data Project

All COGCC field inspectors have been directed to measure noise levels at representative well sites and compressor stations throughout the state. The field inspectors will gather data for four months and should provide the COGCC with approximately 400 data points. COGCC field inspectors have performed approximately 121 site surveys to date. The analyzing and correlating of the noise level data will be performed by Denver office staff.

◆ House Bill 06-1385 (the Long Bill)

The Long Bill was passed by the legislature on April 14 and signed by Governor Owens on May 1, 2006. No amendments were made to the Joint Budget Committee’s funding recommendations for the COGCC. The Long Bill included the following new items for the COGCC:

Eleven New Full Time Positions (\$946,216):

- Legal Assistant
- Engineering/Environmental Technician
- Well Permit Technician

- NW Area Environmental Protection Specialist
- SW Area Environmental Protection Specialist
- SE Area Environmental Protection Specialist
- NE Area Environmental Protection Specialist
- NW Area Field Inspector
- Central Area Field Inspector
- Enforcement Officer
- Supervising Engineer

Five New Contract Positions (\$331,200):

- Application Programmer
- Well Permit Technician
- Engineering/Environmental Technician
- Records Administrators (2)

New Line Items:

- Environmental Assistance and Complaint Resolution (\$312,033)
- Emergency Response (\$1,500,000)
- Special Environmental Protection and Mitigation Studies (\$500,000)
- Phase II Raton Basin Gas Seep Investigation (\$188,625)

The COGCC would like to sincerely thank the Department of Natural Resources, the Joint Budget Committee, and the Governor's Office for their support of these important changes to the COGCC budget.

◆ 2005 Outstanding Oil and Gas Operations Awards

The deadline for the COGCC 2005 Outstanding Operations Award was June 1, 2006. The ten-year anniversary COGCC 2005 Outstanding Operations Awards will be presented in August 2006. The awards are for oil and gas operations that occurred during calendar year 2005. The COGCC staff will review the nominations and make recommendations to the Commission for their approval.

◆ Environmental Response Fund (ERF) Project Status

Attached on page 19 is an Excel spreadsheet listing both completed and pending ERF projects for Fiscal Year '05 – '06. Pending projects only show funds appropriated or spent to date.

◆ 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 forty-seven (47) requests for onsite inspections. Twelve (12) onsite inspections have been conducted, seventeen (17) requests for inspections have been withdrawn, and eighteen (18) 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 forty-seven (47) requests for Onsite Inspection, twenty-seven (27) were for locations in Weld County, eleven (11) for Las Animas County, three (3) for Yuma County, two (2) each for Garfield and La Plata Counties and one (1) each for Archuleta and Boulder Counties.

◆ July 2006 Hearing Docket

A preliminary docket for the July 2006 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 by clicking on the Applicant and 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.

◆ COGCC Forms Changes

To meet the requirements of the new Survey Rules and other requested changes, the Application for Permit-to-Drill, Form 2, the Sundry Notice, Form 4, the Drilling Completion Report, Form 5, the Completed Interval Report, Form 5A, and the Well Abandonment Report, Form 6, have been or will be modified. The new versions of the forms are available as Adobe™ PDF files and Excel spreadsheets, and are downloadable from the COGCC website (<http://www.oil-gas.state.co.us>) on the forms page. Forms will be mailed upon request by calling (303) 894-2100 extension 100.

◆ 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 to 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 (“GPS”) data.
 - The GIS Administrator creates daily updates for the Internet map data downloads.
 - COGIS Tools
 - This set of applications allows 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**

Production Information Update

Beginning in June, 2006 the Information Technology team will begin a project to incorporate the production data from before 1999 into the COGIS database environment. The web pages for Production Data inquiries are being modified to handle requests for this information. The data for these years is associated by lease instead of by well requiring new types of queries to be created. The inquiry pages are also being modified to allow the user the choice of downloading their result sets. It is expected that the delivery of these new features is expected by August 15, 2006.

New BLM Lease Stipulations Map Layers

The COGCC, in cooperation with the BLM, has begun Beta testing new map layers containing the lease stipulations from the BLM on the COGCC GIS Online site. This project was undertaken with the help of the Ground Water Protection Council. Colorado was designated as a pilot state and will be one of the first to have this information available to the public. Some of the layers that will be available include Federal Oil and Gas leases, Federal Surface leases, BLM Master Plats, and Federal Oil and Gas Subsurface Rights.

Helpful Applications on the WEB

Two applications on the COGCC website are there to help operators with the entering of data relating to locations. The first is a Footage calculator. The 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.

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 October 15, 2006 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.

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 backlogs 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 the 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.

Hearing and Environmental File Indexing Project

Indexing of the hearing files has been completed and the files have been archived. The indexing of the environmental files continues. The reclamation project files have been

scanned and indexed. The spill and complaint reports along with the pit data are 100% complete.

LAS File Upload

This project provides operators with a technique to submit digital well logs to the COGCC over the Internet. 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 digital logs are starting to show up on the web; the type of file precedes the log type in the document name. In addition to LAS files, there are PDS and PDF files which provide an easy-to-view graphical representation of the logs; these graphical files do not eliminate the LAS file requirement.

Delinquent Operations Report

The 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.

US Standard XML Reporting Project

COGCC, GWPC, BLM, MMS, API, and agencies from several other states have been working together to establish an XML file format for permitting wells and reporting well completions. The group has completed a business case for this project and a DOE grant request has been submitted to fund the development. A similar project is currently being tested in California with a prototype standard, and is in the review process prior to becoming part of the national standard.

Reports Online Project

The COGCC is currently working with the Department to resolve the outstanding technical issues. Once these issues are resolved the reports will be available via the Internet.

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.

Spacing Orders Project

The spacing orders are being evaluated and posted on the maps, with over eighty percent (80%) of the state having been reviewed. The Wattenberg Field in northeast Colorado is the only area remaining to be completed.

VIII. VARIANCES

A 502.b. variance was granted to BP America Production Company for the Floreine Hudspeth Gas Unit A #1 Well sidetrack in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 12, Township 34 North, Range 7

West. The top of production is 357' east of the Fruitland Coal drilling window established in Order No. 112-156.

A 502.b. variance was granted to BP America Production Company for the Baird Gas Unit A#1 Well sidetrack in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 16U, Township 34 North, Range 7 West. The top of production is 35' west of the Fruitland Coal drilling window established in Order No. 112-180.

Rule 502.b. variances were granted to Laramie Energy LLC for Rule 603.b., setbacks from a county road, were approved for the McDaniel Federal 2-13 Well (API# 077-09072-00), McDaniel Federal 2-14 Well, (API# 077-09073-00), McDaniel 2-11 Well (API# 077-19074-00), and McDaniel Federal 2-12 Well (API# 077-09071).



Coalbed Methane Stream Depletion Assessment Study

Where: Durango Community Recreation Center
2700 Main Street
Durango, Colorado 81301

When: Tuesday, June 27th, 2006
5:00-7:30 pm REVISED

This presentation is a follow-up to the last meeting on October 24, 2005 wherein input was given by the citizens of Durango and the surrounding area on the scope of the study. The study was completed in February of 2006. This presentation offers an opportunity for you to see the results and ask questions. This study was funded by the Department of Natural Resources and coordinated by the Division of Water Resources, Colorado Geological Society, Oil and Gas Conservation Commission. The consultant performing this study in conjunction with the Department of Natural Resource agencies is S.S. Papadopulos & Associates.

Energy Expo features gas info, free stuff

May 4, 2006

By Mike McKibbin

The Daily Sentinel – Grand Junction

RIFLE — People crowded into the Garfield County Fairgrounds indoor riding arena Wednesday, but not to watch a rodeo.

Area residents came to find out about natural-gas development in the western end of the county at the fourth annual EnCana Oil and Gas Energy Expo. More than 70 booths were set up inside the arena, where gas-related companies offered information about their company's role in getting gas out of the ground.

Battlement Mesa resident Gordon Elliott was a first-time visitor to the expo Wednesday.

"When you live right in the middle of the industry, you need to know all you can about the industry," he said.

Rifle Mayor Keith Lambert said more and more gas drilling companies have become active closer to the city.

"Anytime you have the chance to get some information about the industry and communicate what local folks are concerned about to those companies, it's a good thing," he said.

"At no time has anyone said 'just stop' to the industry. We all recognize their need to be where the gas is to supply our demand locally and nationally."

Lambert said more and more companies are listening to local concerns as they drill more wells.

The Colorado Oil and Gas Conservation Commission, which regulates the industry statewide, had a booth at the expo.

Western Slope field inspector Jay Krabacher kept busy answering questions about water quality regulation and located where wells were drilled. Krabacher told one man the commission works with the Colorado Department of Public Health and Environment on water quality issues and requires reports of any spills of hazardous materials.

Doug Dennison has been a part of the each annual expo, the first three years as Garfield County's oil and gas liaison. Dennison left that position last year to become Occidental Oil and Gas' regulatory coordinator. He helped staff Occidental's booth Wednesday.

"When I was with the county, most of the questions were about specific issues someone had with a well site on their property or a neighbor's," he said.

"Most of the people here want to know if we're still in the oil shale business, which we aren't. A lot of folks are looking for work, too."

Gas well proves key in finding 2 lost hikers

May 4, 2006

By Mike Wiggins

The Daily Sentinel – Grand Junction

Two Palisade men who got lost and ran out of water while hiking in De Beque Canyon were found in good condition Tuesday evening.

John Peresta, 28, and Quinn Parsons, 26, had gone for a short hike in the area of Interstate 70 and Colorado Highway 65 about 10 a.m. Tuesday.

They left the trail and hiked up the side of a drainage area, then tried to find a safer way to get down because of the steep terrain. After unsuccessfully trying to find their way back, the men tried to find another route to their vehicle but got stuck in a steep area and weren't able to find a way down, said Susan Redmond, spokeswoman for the Mesa County Sheriff's Department.

Unable to find their way out, Peresta and Parsons used a cell phone to call a friend around 5:30 p.m.

The friend, who notified the Sheriff's Department, found the men's vehicle about a mile up Colorado 65 from I-70, Redmond said.

Deputies were able to make phone contact with Peresta and Parsons, who indicated they had seen a gas well head earlier in the day. Deputies told them to walk to the well head and check the signs at the well head for location information, Redmond said.

Most gas wells have signs with locator information, including the range and township coordinates or global positioning system coordinates.

Peresta and Parsons, who had run out of water and were without survival gear, were able to relay the range and township coordinates of the well head, and a deputy familiar with that backcountry area found them just after 7:30 p.m., Redmond said.

The men were found on the Chalk Mountain access road, west of the town of Mesa. They were in good health, Redmond said.

Redmond credited the Sheriff's Department's Rural Area Deputy Program with helping find Peresta and Parsons. The program was started by former Sheriff Riecke Claussen in response to community requests for more law-enforcement presence in rural areas.

In addition to being familiar with backcountry areas, Redmond said rural area deputies are familiar with the type of locator information that can be found on gas well heads.

That knowledge helped locate the men, Redmond said.

Drilling jumps 7 percent from 2005

May 5, 2006

By Sally Spaulding

The Daily Sentinel – Grand Junction

Officials with the energy industry say western Colorado is indeed in a boom, but far from a bust.

"The future here is tremendous compared to other area in the nation," said Larry Kent, president of the Colorado Oil and Gas Association and senior district manager for Halliburton. "For the most part, this is a new, virgin field. We're finding new gas every day."

Drilling in Colorado continues to rise, with 4,650 permits for drilling expected to be granted by the end of 2006, a nearly 7 percent jump from 2005.

In Mesa County, that has translated to seven rigs, 86 new drilling permits since January and an estimated 3,000 jobs.

During a panel discussion on how oil and gas affects the building industry Thursday night at Two Rivers Convention Center, Kent said Halliburton had committed to a long-term presence in the area, purchasing 46 acres for a new building and committing to new projects.

"We're not leaving any time soon," he said, referencing the bust of oil shale during the early 1980s when Exxon announced it was closing its oil shale project because of rising costs.

Other companies followed suit, and the resulting economic bust lasted for almost a decade.

This time, oil shale is different, said Jim Evans, a senior economist with Cordilleran Compliance Services who was formerly the executive director of Associated Governments of Northwest Colorado.

"In my opinion it's a different approach this time," he said.

Evans said this go-round of oil shale was market driven, rather than funded through government subsidies.

He said the pace of development was much slower, and the economy was better insulated from boom and bust cycles.

Evans didn't think natural gas development would be "busting" anytime soon either, adding that new technology in coal gasification in the area could take up where natural gas reserves leave off.

"I believe this region will have a sustained energy economy for generations to come," he said.

Steve Durham, a lobbyist for the Colorado Association of Home Builders, agreed that the energy economy would remain strong but stressed the imbalance between the energy industry and the building industry.

According to Durham, 70 percent of Colorado is split estate, meaning one person owns the surface while the other owns the minerals underneath.

"Oil and gas takes the position that their right is absolute," he said.

"We are looking to equalize the two estates so surface and mineral rights are on the same playing field."

Durham said Mesa County and the Western Slope could be in a more difficult situation than the Front Range, saying it was hard to develop and build subdivisions when oil and gas interests were involved.

"I think you can expect an ever-growing conflict with oil and gas in Colorado until the two estates are equal," he told the members of the Housing and Building Association of Northwestern Colorado.

Oil patch evolves

New type of drilling rig in a Colorado natural-gas field is the first to adapt offshore technology for use on land

May 24, 2006

By Nancy Lofholm

Denver Post

Parachute - On this drilling rig, the roughnecks are jokingly called "soft necks." The driller sits in a cushy chair with a joystick and touch-screen computers at his fingertips. And the whole operation is monitored for any trouble from an air-conditioned office in Tulsa, Okla.

But the increased safety and decreased labor on rig H&P 274 in the natural-gas fields east of Parachute are not the only reasons that a gang of Williams and Helmerich & Payne International Drilling Co. managers collected Tuesday in hard hats and steel-toed boots to show off the operation.

The \$11 million rig represents a first, and a future, in an oil patch scrambling to keep up with demand using mostly patched-together rigs from an earlier boom.

The new rig, manufactured and assembled in Oklahoma and Texas by H&P, is the first to bring offshore drilling technology to land. The entire Flex-Rig three-story drilling platform and 125-foot-high derrick can be skidded in four directions so that as many as 22 wells can be drilled from one pad.

Well pads are the bulldozed areas on which drilling rigs and gas-recovery systems are placed.

On land, that means up to 75 percent fewer pads, not as many roads and fewer days spent drilling each well.

"It's our understanding that this is the only rig in the world that will do this onshore," said Steve Soychak, district manager for Williams.

The rig runs on two diesel engines that power an electrical system, so it is quieter than conventional wells that might have as many as eight diesel engines. The rig uses less fuel and cuts emissions by about 35 percent, Williams drilling supervisor Scott Brady said.

The real testimonials come from on-the-ground operators like Curtis Vickers of Hattiesburg, Miss., who has spent the past three months on the new rig.

"It's a totally different experience. It's a lot safer and cleaner. There's no throwing tongs. You don't even have to touch the pipe," the former Marine military policeman said.

The "tongs" - giant pincers that swing on chains and are manually moved to connect and disconnect pipe on conventional rigs - have been replaced by an "iron roughneck" on the new rig. The hydraulic device is manipulated by levers.

Inside the drilling cabin, the automation is even more pronounced.

Driller Lonnie Pitts, who came to the Piceance Basin from Waynesboro, Miss., after Hurricane Katrina, keeps a constant eye on screens that show depth, pressure and all other facets of drilling.

"It's like playing a big video game," he said as he moved his joystick to control the 90-foot lengths of pipe being pulled from a drilling hole.

Williams is leasing five of the rigs from H&P and has five more on order.

The rigs don't come cheaper than their conventional counterparts. They cost upward of \$20,000 a day to operate. On the plus side, completed wells can be producing while other wells on the same pad are still being drilled, so Williams officials estimate the wells will ultimately be more cost-effective.

Environmentalists who have been pushing for less-damaging ways of drilling in the Piceance Basin haven't had a chance to check out Williams' new rigs.

Matt Sura with the Western Colorado Congress said the key to whether Williams' new rigs really will be more environmentally friendly will be in how many drilling pads the company chooses to locate on the surface.

Williams spokeswoman Susan Alvillar said the number of pads will vary depending on terrain and mineral rights and government spacing rules.

"The idea behind it," she said, "is that it will ultimately decrease the number of pads you need by 75 percent."

Outstanding Environmental Response Fund and Bond Claim Projects		5/31/2006			
Plugging and Abandonment and Reclamation Projects					
Orphaned Wells and Sites					
FY 05- 06 Projects					
PENDING PROJECTS					
		TOTAL	ERF		
	PROJECT	PO	AMT		
		TOTAL	COST		
			DESCRIPTION		
Weld	Keota Field Salt Kill	\$21,524	PENDING	\$11,138	Remediation & Reclamation 10 Acres Total PARTIAL
La Plata	Bryce 1X - Re-entry and Abandonment	\$126,448	PENDING	\$4,990	Well Re-entry and Remediation
	Total Encumbered and Pending	\$147,972			
WORK COMPLETED					
BRYCE 1X					
La Plata	Bryce 1X - Site Preparation			\$22,839	Site Prep. For Drilling Operation
La Plata	Bryce 1X - Site Eval. And Wellbore Prep.			\$3,874	Digout to Bedrock, Install SRF CSG Section
Delta	Cline Federal 2- 029-05016 (BLM)			\$5,141	PA And Reclaim 1 well Near Delta
Delta	Cline Government 1 029-05018 (BLM)			\$15,786	PA And Reclaim 1 well Near Delta
Delta	Billstrom Bros Well(BLM)			\$64,634	PA And Reclaim 1 well Near Delta
Logan	State 1 Falcon Seaboard			\$9,900	Clean-up Tanks, Debris, Oil Contamination
Weld	Winter #1			\$20,300	Remediation Oil Contamination At Historic Battery Site
Logan	W E Dickenson #1			\$4,459	Site Investigation Oil Contamination at Historic Pit Site
Logan	Raney & Green Salt Kill Evaluations			\$1,892	Initial Evaluations of Historic Salt Kill Sites
Logan	Padroni #1 & #2 Site Cleanup			\$974	Pipe and Cement Block Cleanup
Logan	Horsefly #1/Fogale Reclamation			\$5,000	Pit Reclamation and Debris Cleanup
Rio Blanco	Winkler #1 and #2			\$2,583	PA 2 Mancos Wells
Weld	Greasewood Cement Base II			\$17,200	Cement Base Cleanup 5 Sites
Washington	Deering #1			\$552	Top Plug Well Found By Farmer
Logan	McRoberts E-1			\$2,747	Historic Remediation Cement Blocks
Logan	Cedar Creek Ranch #1			\$1,030	Reclaim Abandoned Pit Area
Logan	Sheldon #1			\$3,106	Historic Reclamation-Pit and Cement Blocks
	Total Completed			\$198,144	



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Denver, CO 80203
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Notice to Operators
Colorado Oil and Gas Conservation Commission
Procedures for Setting Conductor Pipe
April 6, 2006

The Colorado Oil and Gas Conservation Commission ("COGCC") regulations allow an operator with a valid Permit-to-Drill to use a separate, generally smaller drilling rig to set conductor pipe prior to another drilling rig being moved in to set surface and production casing. This Notice to Operators is intended to provide clarification about the COGCC requirements for this procedure for both single and multiple well locations. The COGCC will approve the setting of additional conductor pipes on existing or new multiple well pads prior to drilling permit approval of the additional wells ***on the condition that at least one (1) existing or planned well has an approved Permit-to-Drill.***

Requirements for Constructing Both Single Well and Multiple Well Sites

- A valid Permit-to Drill for at least one (1) initial well is required prior to building a location.
- The COGCC Area Field Operations Contact must be notified twenty-four (24) hours prior to commencement of operation.
- If conductor pipe is set and the drilling rig that will be used for the remainder of the well is not present and ready to rig up, the conductor pipe shall have a plate welded over the top until opened for drilling.
- All cellars shall be fenced to prevent accidental access.
- All ratholes and mouseholes shall be covered in a safe manner and fenced to prevent accidental access.
- The following shall apply if conductor pipe is set and the well has not been drilled within thirty (30) days of the conductor pipe setting date on a single well pad, or within thirty (30) days following the end of drilling operations on a multiple well pad:
 - For each well that has already been permitted and has conductor pipe set, a Sundry Notice, Form 4 shall be submitted under the name of that well providing a description of the current well construction and schedule of plans for future operations for the well, or
 - For all of the wells on a multiple well pad that have not yet been permitted and have had conductor pipe set, a single Sundry Notice, Form 4 shall be submitted that includes the current well construction and schedule of plans for future operations for all of the non-permitted wells. This single Sundry Notice, Form 4 shall be

DEPARTMENT OF NATURAL RESOURCES: Russell George, Executive Director
COGCC COMMISSION: John B. Ashby - Brian Cree - Kimberlee Gerhardt - Michael Klish - Peter Mueller - Samuel Pottar - J. Thomas Reagan
COGCC STAFF: Brian J. Macke, Director - David K. Dillon, Deputy Director of Operations - Patricia C. Beaver, Hearings Manager - Marc J. Fine, Information Technology Manager

filed under the name of the well under which the multiple well pad was originally permitted.

- If any artesian flows are encountered while drilling and setting conductor pipe, the conductor pipe shall be isolated with cement from the base of the conductor pipe to the anticipated bottom of the cellar by the pump and plug or displacement method. The operator shall notify the COGCC on a Sundry Notice, Form 4 which shall include a description of the artesian flow and the conductor pipe cementing operation. If the well has been permitted, the Sundry Notice, Form 4 shall be filed under the name of that well. If the well has not yet been permitted, then the Sundry Notice, Form 4 shall be filed under the name of the well under which the multiple well pad was originally permitted.
- If conductor pipe is set and the plans are changed so that it will not be used, the conductor pipe shall be cut four (4) feet below ground level and the pipe filled with material that is clean, inert and free from contaminants. The top of the conductor pipe must be sealed with either a cement plug and a screw cap, or cement plug and a steel plate welded in place with the hole backfilled to ground level and the site reclaimed in accordance with the COGCC 1000 Series Rules.
- A Permit-to-Drill must be approved for any well for which conductor pipe has been previously set before the drilling rig moves on to the well.
- Any Permit-to-Drill will not be valid beyond the one (1) year expiration date.
- Within thirty (30) days of completion, each well shall have a sign in proximity to the wellhead indicating its lease name and well number.
- If the pad includes multiple production facilities, then each facility shall have a sign indicating the well(s) utilizing that facility.

Application And Other Additional Requirements for Constructing a Multiple Well Pad

Application:

A Sundry Notice, Form 4 shall be submitted for an existing well or along with a new Application for Permit-to-Drill, Form 2 that includes:

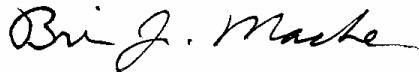
- Well names and numbers for all wells that are planned to be located on the multiple well pad.
- Proposed schedule for the pad construction and well drilling.
- Planned operations and procedures for the wells on the multiple well pad.
- A sketch of the proposed facility with wellhead locations and production equipment showing each well in relation to the other planned or existing wells.
- A sketch showing the proposed bottom hole locations (well density).
- A Surface Owner's Agreement addressing the development of the pad.

- Plans to protect public health, safety and welfare (such as how access to open holes will be prevented).
- Plans to protect the environment (such as ground water protection, erosion prevention, etc.).

The approval of the Sundry Notice, Form 4 shall be valid for a period of two (2) years. At the end of the multiple well pad project or the two (2) year period, whichever is first, a Sundry Notice, Form 4 must be submitted for each well on the pad providing information about the development that was completed, including an as-built site facility diagram.

The Sundry Notice, Form 4 approval of the well pad construction and setting of conductor pipe for multiple wells does not constitute the issuance of a Permit-to-Drill any proposed well.

Signed:

A handwritten signature in cursive script that reads "Brian J. Macke".

Brian J. Macke
Director

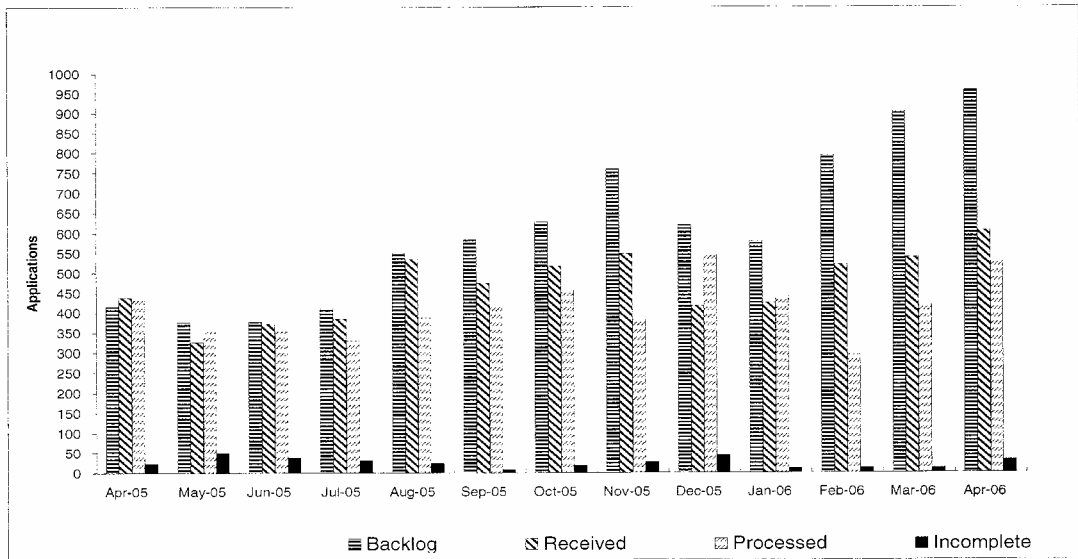
Colorado Oil Gas Conservation Commission
Monthly Statistics

YEAR	MO	Operators		Release		Bonds		Claim		Hearings		Violations		Remediation		Field Insp		
		New	Inactive	Ind.	Blnkt	Replace	Ind.	Blnkt	Apps.	Order	NOAV	AOC	OFV	Cmplt	Spills		Rcvd	Comp
2003	Total	81	72	58	31	124	3	0	45	31	161	7	2	157	222	79	45	7504
2004	JAN	5	10	8	7	5	0	0	9	8	11	4	0	15	23	3	3	622
	FEB	5	4	4	3	11	0	0	7	3	17	2	0	20	22	3	5	745
	MAR	3	7	5	8	7	0	1	16	16	15	13	0	23	26	9	3	706
	APR	7	8	7	4	11	0	1	4	4	53	1	0	15	22	3	0	568
	MAY	12	3	0	0	10	0	0	8	7	27	2	0	10	23	6	8	984
	JUN	13	6	0	0	10	0	0	NA	NA	24	NA	NA	14	17	3	7	716
	JUL	8	2	4	2	12	0	0	9	4	15	4	0	11	16	6	1	566
	AUG	16	4	2	6	10	0	0	4	3	16	3	1	11	24	2	3	662
	SEP	8	7	8	0	12	0	0	4	4	19	0	0	16	17	6	22	709
	OCT	8	3	2	2	13	0	0	0	0	9	0	0	9	19	4	1	623
	NOV	10	6	9	1	9	0	0	1	1	10	0	2	6	8	0	1	398
	DEC	10	3	5	3	8	0	0	NA	NA	19	NA	NA	4	13	8	6	417
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	7	3	18	0	1	11	20	0	45	623
	FEB	8	6	4	2	13	0	1	6	6	6	6	0	11	23	0	17	530
	MAR	8	10	8	3	12	0	0	3	5	6	0	0	21	21	4	3	725
	APR	10	5	7	4	13	0	0	7	4	16	0	1	26	22	2	20	426
	MAY	9	5	7	5	14	0	1	NA	NA	15	NA	NA	10	34	0	3	696
	JUN	15	11	2	5	14	0	0	7	7	20	3	0	12	39	2	0	650
	JUL	14	9	7	5	14	0	0	6	4	37	0	0	23	28	0	0	538
	AUG	10	2	1	2	6	0	0	4	2	36	0	0	19	28	0	0	564
	SEP	17	5	7	5	12	0	0	3	2	15	0	0	24	31	2	0	708
	OCT	14	4	6	2	12	0	0	7	6	35	0	0	35	23	2	0	498
	NOV	18	9	3	6	12	1	16	NA	NA	14	NA	NA	24	22	0	2	779
	DEC	12	3	5	2	17	1	4	10	6	39	2	2	31	35	2	0	748
2005	Total	145	72	60	48	149	2	23	60	45	257	5	4	247	326	14	90	7485
	JAN	15	5	17	5	13	0	0	11	10	5	2	1	20	31	0	0	1084
	FEB	16	2	6	4	14	0	0	9	6	10	2	0	17	36	4	1	937
	MAR	13	5	5	3	16	0	1	10	5	44	1	2	20	32	6	0	678
	APR	14	8	5	8	13	1	0	9	8	32	0	0	29	38	0	0	321
2006	Total	58	20	33	20	56	1	1	39	29	91	5	3	86	137	10	1	3020

Colorado Oil & Gas Conservation Commission Monthly Breakout of Drilling and Recompletion Permits

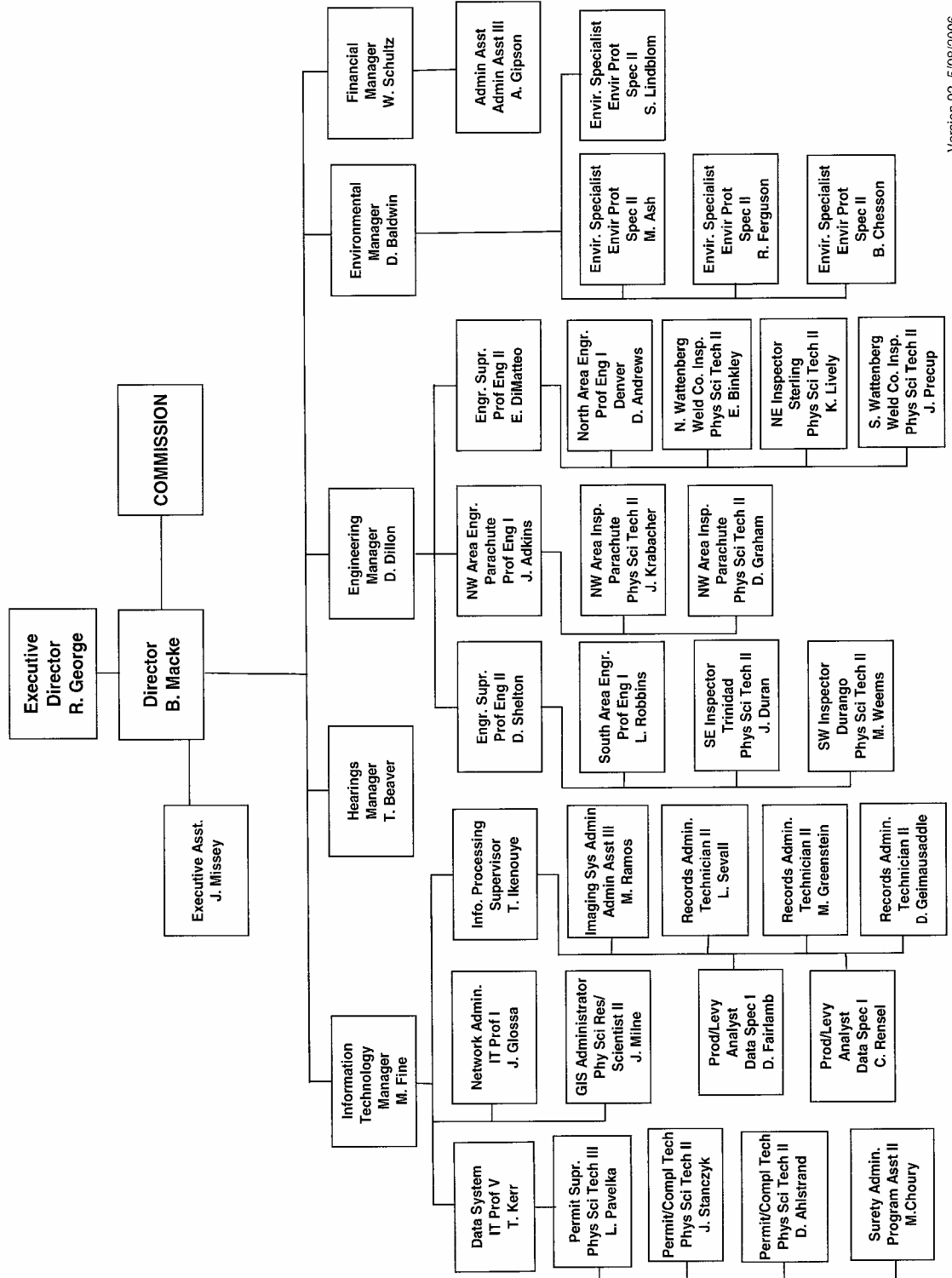
	Backlog	Received	Processed	Withdrawn	Rejected	Incomplete	In-Process	Remaining
Drilling								
Apr-05	424	413	418	19	0	24	376	400
May-05	400	319	340	13	0	42	324	366
Jun-05	366	364	340	18	0	36	334	372
Jul-05	372	362	312	20	0	31	371	402
Aug-05	402	508	379	6	0	24	501	525
Sep-05	525	460	391	26	0	8	560	568
Oct-05	568	497	437	18	0	19	591	610
Nov-05	610	534	368	34	0	27	715	742
Dec-05	742	390	531	9	0	43	549	592
Jan-06	592	396	420	24	0	11	533	544
Feb-06	544	501	267	14	0	12	752	764
Mar-06	764	509	392	8	0	12	861	873
Apr-06	873	595	500	24	0	32	912	944
Recompletion								
Apr-05	6	25	14	1	0	0	16	16
May-05	16	8	13	0	0	9	2	11
Jun-05	11	8	13	0	0	1	5	6
Jul-05	6	23	19	1	0	1	8	9
Aug-05	9	27	9	1	0	0	26	26
Sep-05	26	15	24	1	0	0	16	16
Oct-05	16	21	19	0	0	0	18	18
Nov-05	18	15	14	1	0	0	18	18
Dec-05	18	26	15	0	0	1	28	29
Jan-06	29	28	21	0	0	0	36	36
Feb-06	36	20	27	0	0	0	29	29
Mar-06	29	30	26	2	0	0	31	31
Apr-06	31	11	27	1	0	0	14	14
Total								
Apr-05	430	438	432	20	0	24	391	416
May-05	416	327	353	13	0	51	326	377
Jun-05	377	372	353	18	0	39	339	378
Jul-05	378	385	331	21	0	32	379	411
Aug-05	411	535	388	7	0	24	527	551
Sep-05	551	475	415	27	0	8	576	584
Oct-05	584	518	456	18	0	19	609	628
Nov-05	628	549	382	35	0	27	733	760
Dec-05	760	416	546	9	0	44	577	621
Jan-06	621	424	441	24	0	11	569	580
Feb-06	580	521	294	14	0	12	781	793
Mar-06	793	539	418	10	0	12	892	904
Apr-06	904	606	527	25	0	32	926	958

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



HEARING DOCKET: July 2006

Docket Number	Cause	Applicant/Attorney or Representative	Application Received	Field Formation County	Matter	Remarks
0606-SP-29	166	EnCana Oil & Gas (USA) Inc./ Erika Z. Enger	4/17/2006	Plateau Williams Fork/Iles Mesa	Request for an order to establish 320-acre drilling and spacing unit consisting of the W½ of Sections 6, Township 8 South, Range 96 West, 6th P.M., and to allow up to eight (8) wells, with the permitted well to be located no closer than 200 feet from the unit boundary.	Continued from June
0607-AW-09	112	Chevron MidContinent, L.P./ William A. Keefe	5/17/2006	Ignacio-Blanco Fruitland Coal Seams La Plata	Request for an order to allow an additional well in the 320-acre drilling and spacing units for certain lands in Township 33 North, Range 11 West, N.M.P.M., with the permitted well to be located no closer than 990 feet from the unit boundary.	
0607-AW-10	112	BP American Production and Red Willow Production./ Michael J. Wozniak	5/22/2006	Ignacio-Blanco Fruitland Coal Seams La Plata	Request for an order to allow up to four (4) wells to be optionally drilled in the 320-acre drilling and spacing units for certain lands in Townships 32 through 34 North, Ranges 6 through 9 West, N.M.P.M., with the permitted well to be located no closer than 660 feet from the unit boundary.	
0607-AW-11	139 & 440	Williams Production RMT Co./ William A. Keefe	5/12/2006	Rulison/Parachute Williams Fork Garfield	Request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the unit boundary for certain lands in Townships 6 and 7 South, Ranges 94 and 95 West, 6th P.M.	
0607-EX-07	112	Black Hills Exploration Inc./ William A. Keefe	5/24/2006	Ignacio-Blanco Fruitland Coal Seams La Plata	Request for an order to reduce the setbacks from 990 feet to 660 feet, with no setbacks from the interior quarter section lines for certain lands in Township 33 North, Range 8 West, N.M.P.M.	
0607-JUP-06	523	Antero Resources Co./ Michael J. Wozniak	5/22/2006	Mamm Creek Williams Fork/Iles Garfield	Request to pool all non-consenting interests in the 320-acre drilling and spacing unit consisting of the S½ of Section 9, Township 6 South, Range 92 West, 6th P.M.	

PRELIMINARY
05/26/06

0607-UJ-07	523	Antero Resources Co./ Michael J. Wozniak	5/22/2006	Mamm Creek Williams Fork/Iles Garfield	Request to pool all non-consenting interests in the 320-acre drilling and spacing unit consisting of the N½ of Section 15, Township 6 South, Range 92 West, 6th P.M.
0607-UJ-08	191	Antero Resources Co./ Michael J. Wozniak	5/22/2006	Mamm Creek Williams Fork/Iles Garfield	Request to pool all non-consenting interests in the 320-acre drilling and spacing unit consisting of the S½ of Section 11, Township 6 South, Range 93 West, 6th P.M.
0607-UJ-09	191	Antero Resources Co./ Michael J. Wozniak	5/22/2006	Mamm Creek Williams Fork/Iles Garfield	Request to pool all non-consenting interests in the 260-acre drilling and spacing unit consisting of the S½ of Section 18, Township 6 South, Range 92 West, 6th P.M.
0607-UJ-10	191	Antero Resources Co./ Michael J. Wozniak	5/22/2006	Mamm Creek Williams Fork/Iles Garfield	Request to pool all non-consenting interests in the 320-acre drilling and spacing unit consisting of the S½ of Section 17, Township 6 South, Range 92 West, 6th P.M.
0607-UJ-11	471	Citation Oil & Gas Corp./ Randall M. Case	5/22/2006	Jace Unit Morrow Kiowa	Request to approve unit operations of the Morrow Formation for certain lands in Township 18 South, Ranges 41 and 42 West, 6th P.M.
0607-SP-33	139	Noble Energy Inc./ Gregory R. Danielson	5/17/2006	Rulison Williams Fork/Iles Garfield	Request for an order to establish 40-acre drilling and spacing units and allow increased density of up to four (4) wells, for certain lands in Township 8 South, Range 95 West, 6th P.M., with the permitted well to be located no closer than 100 feet from the unit boundary.
0607-SP-34	440	Williams Production RMT Co./ William A. Keefe	5/8/2006	Parachute Williams Fork Garfield	Request for an order to vacate the NW¼ SW¼ of Section 25, Township 6 South, Range 95 West, 6th P.M. from the provisions of Order Nos. 440-12 and 440-16.
0607-SP-35	510	EnCana Oil & Gas (USA) Inc./ Michael J. Wozniak	5/22/2006	De Beque Williams Fork/Iles Mesa	Request for an order to establish a 160-acre drilling and spacing unit and allow increased density with the option to drill up to four (4) wells in the NW¼ of Section 13, Township 8 South, Range 97 West, 6th P.M., with the permitted well to be located no closer than 600 feet from the unit boundary, and with a setback of at least 600 feet between wells.
0607-SP-36	510	EnCana Oil & Gas (USA) Inc./ Michael J. Wozniak	5/22/2006	Grand Valley Iles Garfield	Request for an order to establish a 160-acre drilling and spacing unit consisting of the SW¼ of Section 27, Township 7 South, Range 96 West, 6th P.M., and allow increased density with the option to drill up to two (2) wells, with the permitted well to be located in the NW¼ SW¼ and the SE¼ SW¼ of Section 27, Township 7 South, Range 96 West, 6th P.M., no closer than 600 feet from the unit boundary.

0607-OV-09	1V	Staff Recommendation	4/28/2006	Las Animas	<p>AOC-Failure by XTO Energy, Inc. to comply with Rule 317.d. and Conditions of Permit Approval for failure to set the required amount of surface casing in the Golden Eagle #20-3 Well located in the NE$\frac{1}{4}$ NW$\frac{1}{4}$ of Section 20, Township 33 South, Range 67 West, 6th P.M.</p>	
0606-OV-10	1V	Staff Recommendation	4/27/2005	Baca	<p>OFV-Failure by Wallace Oil & Gas Inc. to comply with Rule 309., failure to file with the Commission, within forty-five (45) days after the month in which production occurs, a report on Operator's Monthly Report of Operations, Form 7, containing all information required by said form, for the Newman #1-7 Well, located in the SW$\frac{1}{4}$ NE$\frac{1}{4}$ Section 7, Township 32 South, Range 41 West, 6th P.M., and the Hume #17-1 Well, located in the SW$\frac{1}{4}$ SE$\frac{1}{4}$ Section 17, Township 32 South, Range 41 West, 6th P.M.; Rule 319.b.(3), a well that has ceased production shall be abandoned within six (6) months unless the time is extended by the Director upon application by the owner, and Rule 326.b., a mechanical integrity test shall be performed within two (2) years of initial shut-in date, for the Watkins #1 Well, located in the SE$\frac{1}{4}$ NW$\frac{1}{4}$ Section 20, Township 32 South, Range 41 West, 6th P.M.</p>	