



Staff Report

November 27, 2006

I. STATISTICS

- ◆ Our monthly statistics report is attached. As of November 13, 2006, there have been 5,034 Applications for Permits-To-Drill (“APDs”) approved. At this pace, it is estimated that approximately 5,800 APDs will be approved in calendar year 2006. This represents a 33% increase over 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 seven counties as of November 13th are:

County	2006 (% of Total)	2005	2004
Garfield	1564 (31%)	1508	796
Weld	1202 (24%)	901	832
Yuma	661 (13%)	782	237
Las Animas	409 (8%)	413	332
Rio Blanco	336 (7%)	161	154
Mesa	230 (5%)	136	54
La Plata	199 (4%)	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 November 13, 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	4,323	2,936 (68%)	1,387 (32%)	742 (17%)	645 (15%)	636 (15%)	7 (<1%)	2 (<1%)
2006 as of 11/13/06	4,982	3,443 (69%)	1,539 (31%)	993 (20%)	546 (11%)	543 (11%)	3 (<1%)	0 (0%)

Published in conjunction with COGCC hearings

Department of Natural Resources: Bill Owens, Governor; Russell George, Executive Director; Brian Macke, COGCC Director
 1120 Lincoln St. Suite 801, Denver, CO 80203 PHONE: (303) 894-2100 FAX: (303) 894-2109 www.oil-gas.state.co.us; email: dnr.ogcc@state.co.us



II. NORTHWEST COLORADO

- ◆ Attached are oil and gas development-related newspaper articles of interest.

- ◆ Northwest Colorado Oil and Gas Forum

The next meeting of the Northwest Colorado Oil and Gas Forum is scheduled for December 7, 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

As part of a FY 2006 budgetary request, the COGCC received funding to conduct a water quality investigation in Garfield County. The Piceance Basin Phase IV Baseline Water Quality Study will sample water wells in a portion of Garfield County between the towns of New Castle and Rifle, north of the Colorado River that has historically had little previous drilling activity and no producing oil and gas wells.

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. S.S. Papadopulos & Associates, the selected contractor, completed all sampling activities on August 16, 2006. The draft report was submitted November 3, 2006 and staff is currently reviewing the report and sampling results. Letters to each individual well owner discussing their water sample results are being prepared and will be sent to the well owners within the next few weeks. The final sampling results report will be made available on the COGCC website (www.oil-gas.state.co.us). This is the fourth in a series of baseline water quality sampling projects the COGCC staff has conducted in the Piceance Basin of Colorado.

- ◆ 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). These proposals are currently being evaluated. The evaluation will be completed before the end of 2006. GARCO intends to award the contract in January 2007.

- ◆ Lone Pine Field Surface Water Release - Jackson County

The COGCC staff completed the investigation of the crude oil release into Hell Creek that occurred on or around March 13, 2006 at the Lone Pine Field, Section 28, Township 9 North, Range 81 West, in Jackson County. The cause of the release was a pinhole leak in the flowline from the Spaulding No. 1 wellsite (05-057-06009), where the flowline passes under the creek. The leak has been isolated/repared and clean-up of oil on the creek banks and oily vegetation along approximately two miles of downstream creek banks has been completed. The COGCC staff considers the release clean-up completed, although surface water sampling will continue for one year. COGCC staff will be pursuing additional enforcement on this matter and in accordance with the CDPHE - WQCD/COGCC MOA regarding spills and releases to surface water, will keep the WQCD informed about our actions.

- ◆ Colorado Division of Wildlife Projects - Piceance Basin

CDOW is taking the lead in developing a DVD that illustrates good examples of oil and gas practices that are being used to minimize and mitigate impacts to wildlife. This DVD will be a very useful tool for educating the industry and the general public about best management practices that can be used to ensure that wildlife continue to thrive in areas where oil and gas development is occurring.

In addition, the CDOW will be conducting a research project that focuses on evaluating the impacts from oil and gas development and options for mitigating habitat impacts on deer population performance. The overall objective is to evaluate whether landscapes altered by or adjacent to oil and gas development can be rehabilitated and improved to maintain adequate deer population performance. Research projects would likely be designed for



10-year intervals with evaluation of progress at 3, 5, and 7 years. This time span is needed to allow any vegetation renovation treatments to become established and subsequently to evaluate the responses of the deer to the changes.

COGCC staff recommends that the COGCC participate in and provide some financial support for both the habitat research study and the educational DVD. Kim Kaal, CDOW, will be making a brief presentation at today's hearing regarding both of these projects. COGCC staff will be recommending that the Commission approve the use of \$150,000 to help support these two studies: \$100,000 for the habitat study and \$50,000 for the DVD. If approved by the Commission, this money would come from Special Environmental Projects appropriation of Fund 170 money.

III. SOUTHWEST COLORADO

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

LT Environmental Inc. (LTE) has 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. The proposed work includes:

- Obtaining detailed water quality analyses to evaluate potential fouling characteristics and treatability.
- Performing pumping and recovery test in four existing impacted wells.
- Performing a pump test to better evaluate aquifer conditions including installation of piezometers to measure radial influence and better define hydrogeologic conditions.
- Pilot testing of insitu air sparging.
- Pilot testing of in-well aeration.
- Conducting a vapor extraction system pilot test.

- Installing a passive vapor extraction system penetrating upper sandstone.

COGCC staff and DNR Purchasing are working on an amendment to the existing LTE contract, which must be in place before the work can begin.

◆ 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 and Debbie Baldwin 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).

◆ Fruitland Outcrop Methane Seepage Mitigation

On October 19, 2006, Brian Macke, Debbie Baldwin, and the La Plata County Energy Council's (LPCEC) Methane Mitigation Work Group (Work Group) met with the La Plata County Board of County Commissioners (BOCC) and discussed the efforts made this year on developing a strategy for mitigating the effects of methane seepage from the outcrop of the Fruitland Formation. An overview of key mitigation concepts, the scope of future efforts, funding for several proposed mitigation projects, staffing and participation in the Work Group were discussed.

◆ Ellis No. 6 Well - Complaint Investigation

In July 2006, COGCC received a complaint (COGCC Complaint No. 200095702) regarding oil-impacted soil around the plugged and abandoned Ellis No. 6 Well (API No. 05-083-06102) in Montezuma County. This was one of



several wells operated by Point Lookout Drilling. In 1997, the COGCC issued an Order Finding Violation to this operator, claimed its bond, and plugged all of the wells. COGCC staff met the landowner, visited the site, and determined that additional remediation work at this site was necessary. A sample of the oil-impacted soil was collected and submitted to a laboratory for chemical analysis. Total Petroleum Hydrocarbon (TPH) was detected in the soil at a concentration of 1,557 mg/kg, which exceeds the level allowed in the COGCC 900 Series Rules, Table 910-1 for sensitive areas.

To estimate the volume of soil in which TPH concentrations exceed allowable levels, COGCC hired Envirotech, Inc. (Envirotech) to conduct a shallow soil investigation in the vicinity of the Ellis No. 6 Well. Field work, including drilling, soil screening, sample collection and surveying was completed November 15, 2006. Based upon the field screening results, it appears that impacts are confined to a relatively small area around the Ellis No. 6 Well at depths of less than 20 feet. This initial assessment will be confirmed after laboratory analyses of soil samples are completed. A written report presenting the results of the investigation is anticipated in December 2006.

Excavation and disposal of the impacted soil will be scheduled after the final report and volume estimate is complete. Fund 170 money will be used to conduct the necessary remediation and reclamation.

IV. NORTHEAST COLORADO

◆ Greater Wattenberg Area Baseline Study

As part of a FY 2006 budget request, the COGCC received funding to conduct a gas and water quality investigation in the Greater Wattenberg Area (GWA) 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. LT Environmental, Inc. submitted the successful request for proposal (RFP). The contract has been signed by all parties. The initial meeting for the project was held on October 2, 2006. Approximately 55 of the 78 gas wells have been sampled.

◆ Ogallala Aquifer Baseline Study

A brief presentation on the proposed Ogallala Aquifer Baseline Study was made to the Commission during its hearing in Wray, Colorado on June 5, 2006. The proposed study will consist of collecting water samples from approximately seventy-seven (77) water wells in Washington and Yuma Counties for organic and inorganic laboratory analyses. A Scope of Work ("SOW") has been prepared and a Request for Proposal ("RFP") is forthcoming to solicit bids for this work. This project will provide COGCC staff with a more comprehensive baseline database that will be used as a tool in responding to landowners who allege impacts to water wells from oil and gas activities in northeastern Colorado. The data also will help COGCC staff determine whether impacts from oil/gas operations have occurred. The estimated cost for this baseline study is approximately One Hundred Fifty Thousand Dollars (\$150,000). Monies from the Colorado Oil and Gas Conservation and Environmental Response Fund ("Fund 170") will be used for this project during fiscal year 2006-2007.

◆ Fort Morgan Gas Storage Field

The Fort Morgan Gas Storage 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.

On October 22, 2006, COGCC Engineering Manager David Dillon was notified of a casing leak on Well #26 that resulted in nearby residents to be evacuated. It was also reported that some gas and water was escaping from the ground. CIG was in the process of setting a bridge plug in the well to shut off the gas flow. The gas flow from the well was safely shut off on October 22 and there were no personal injuries. A total of thirteen (13) homes were



reportedly evacuated. Numerous other regulatory agencies were also notified.

Representatives for CIG contacted the COGCC environmental staff on Tuesday, October 24 to discuss site investigation and remediation requirements for the gas release. Suggested corrective action included water well sampling, gas monitoring in the evacuated residences, and a soil gas survey. Water well sampling of wells within a one mile radius of Well #26 commenced on Wednesday, October 25.

COGCC Field Inspector Kevin Lively visited the site on Friday, October 27 after receiving several phone calls from nearby residents. Five separate areas existed that contained "craters" and/or "sink holes" caused by the escape of gas. These areas had been initially identified by a flyover with a fixed wing airplane with infrared methane detection equipment. Several of these areas were approximately $\frac{3}{4}$ mile south and southeast of Well #26. Another area was approximately one mile southwest of Well #26.

Residents were allowed to return home on October 28 with the exception of two homes where gas is still being detected. These homes are located immediately east of the facility. Gas monitors have been placed in those homes where residents were allowed to return.

Randall Ferguson and Kevin Lively met with CIG personnel at the facility on Tuesday, October 31 to discuss corrective action status. A presentation of the infrared flyover through an internet website was conducted to illustrate the technology used to define the areas where gas escaped. According to CIG, Well #26 had a bradenhead pressure at 526 psi on October 22 compared to a bradenhead pressure of 240 psi on September 25, 2006. An inspection of the impacted areas was also conducted.

A meeting was held on Friday, November 3 between COGCC staff and CIG personnel at the COGCC offices. Agenda items included regulatory authority, overview of gas storage field operations, a review of corrective action, and water well testing results. CIG currently estimates that between 650 to 700 MMcf was lost

based on inventory analysis, flow calculations, and chart measurement.

Director Macke, Randall Ferguson, and Kevin Lively attended an informal public meeting in Fort Morgan on Wednesday, November 8 that was sponsored by CIG. The purpose of the meeting was to inform residents about the status of the incident and results of the investigation and abatement efforts. Approximately 75 citizens were in attendance. Citizen comments have resulted in additional COGCC requirements for soil and water well sampling.

A follow-up meeting between Director Macke, DNR Deputy Director Mike King, Assistant Attorney General Carol Harmon, COGCC staff and CIG personnel was held on Monday, November 20 to discuss COGCC regulatory authority, current status of corrective action, and the proposed Environmental and Engineering Assessment Workplan.

As of November 20, 2006, only trace amounts of gas have been detected in the sampled water wells. The water wells at the two residences that remain evacuated have not been sampled due to the detection of gas at the wellhead. These wells will be sampled when it is deemed safe for sample collection.

◆ Unauthorized Disposal of Fresh Water Drilling Mud Into an Abandoned Gravel Pit - Adams County

On September 5, 2006, the COGCC Environmental staff received a complaint from an Adams County resident regarding disposal of drilling mud into a former gravel pit located off Haysmount Road in Commerce City. The complainant was concerned about possible impacts to her shallow ground water well located adjacent to the gravel pit. The COGCC investigated the complaint, collected and analyzed samples from the water well, and sampled the disposed drilling mud. No compounds of concern were found in either the water well or in the fresh-water drilling mud. Land application of fresh-water drilling mud is allowable under COGCC Rule 907.d.(3).B; however, the use of a former gravel pit in a



residential area where residents rely on shallow ground water wells for their water supply is a practice that had the potential to impact ground water and therefore is not allowed.

Staff issued a Notice of Alleged Violation (NOAV) on September 15, 2006, to Texas American Resources Company (TARC), the operator of the Colorado State A41-36 Well, which is located in NENE, Section 36, Township 1 South, Range 66 West (API #05-001-09553), which was the source of the fresh-water drilling mud, citing violations of COGCC Rule 324A.a - unauthorized disposal of exploration & production (E&P) wastes, Rule 907.a.(1) - proper handling, transportation, and disposal of E&P wastes., and Rule 907.b.(1). Rule 907.b.(1) requires that E&P waste transported off site for disposal must taken to facilities that are either authorized by the COGCC Director or by the Colorado Department of Public Health and Environment (CDPHE). This gravel pit was not authorized by either agency. TARC immediately instructed the contract hauler to cease hauling any materials from their operation to this gravel pit. COGCC will be pursuing additional enforcement regarding this matter.

Investigation of the mud disposal by the Hazardous Materials and Waste Management Division (HMWMD) of the CDPHE revealed that the gravel pit owner was operating a commercial disposal facility without either state or county permits. The HMWMD instructed the landowner to cease accepting materials for disposal in the former gravel pit and is currently evaluating possible further actions in regards to operating and unpermitted waste disposal facility.

V. SOUTHEAST COLORADO

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

The contract for the Phase II Raton Basin Seep Mapping Project has been finalized and a kickoff meeting with the project team was held on November 20, 2006.

◆ Water Well Impacts - Las Animas County

Pioneer Natural Resources, Inc. (Pioneer) continues to work cooperatively with the COGCC to investigate and remediate impacts to two domestic water wells in the North Fork Ranch (NFR) in Las Animas County. The impacted water wells were sampled twice in October 2006 and results indicate that water quality has stabilized and is consistent with baseline data collected in 2005. Water quality in both wells meets primary and secondary drinking water standards. Methane levels from both wells remain at or below 1.0 mg/l.

The last round of sampling was conducted on October 24, 2006, and witnessed by the landowner's consultant. The consultant collected split samples and had them analyzed. Pioneer has offered to pay for the laboratory and consulting fees for this sampling event so that the landowners can receive a third party opinion on water quality data. Pioneer has offered to install filtration systems for both landowners and is asking for input from the landowners' consultant on the design and installation of these systems.

Pioneer continues to maintain its voluntary agreement with the COGCC to suspend drilling operations in the four sections close to the Molokai 13-36 Well (Sections 25, 26, 35, 36 T32S, R68W) within the NFR. Pioneer is currently initiating a monitoring well program, which will include the installation of approximately 8 to 10 monitoring wells within the NFR. These wells will be sampled for baseline water quality and will be equipped with transducers and data loggers that will record changes in pressure within the aquifers.

◆ Stormwater Complaint Las Animas County

On August 17, 2006, the COGCC received a complaint from a landowner in the Left Hand Fork Area of Las Animas County concerning stormwater runoff from several oil and gas construction sites. The COGCC inspected the well sites and access roads named in the



complaint on August 21, 2006, and August 25, 2006. Three NOAVs were issued on August 28, 2006; corrective actions required the implementation of measures to reduce erosion and minimize offsite the transport of sedimentation from disturbed areas. A follow-up site inspection was conducted on October 23, 2006. Pioneer has made significant progress on installing best management practices and conducting reclamation activities. Water Quality Control Division (WQCD) staff inspected the sites on September 28, 2006. The WQCD report has not been finalized.

◆ Surface Water Discharge

While drilling the 18-3E CBM Well, Red River Ranch encountered greater than expected quantities of produced water and formation water. The water overflowed the reserve pit into a small drainage and then discharged to Lorencito Canyon Creek. Drill cuttings were deposited in the creek bed, which is a violation of WQCC surface water standards. The 18-3E Well is part of the Phase II CBM development for RRR. These large volumes of water were not encountered during Phase I operations. The release was reported to the CDPHE and the COGCC. COGCC and RRR are working cooperatively with the WQCD.

COGCC staff conducted a site inspection on October 24, 2006. Site investigation and remediation requirements were discussed with RRR personnel. A NOAV was issued to RRR on November 2, 2006. In response to the NOAV RRR has submitted a Site Investigation and Remediation Workplan and also a Phase 2 Drilling Operations Plan that discusses the management of produced water and formation water. Additional surface casing will be installed and reserve pits capacity increased. Additional contingency plans are also being discussed.

VI. ORGANIZATION

◆ Staff Organization

The COGCC is pleased to announce the promotions of Margaret Ash and Randall Ferguson to Environmental Protection Specialist (EPS) III. Margaret will be supervising the new south-

west EPS II, Peter Gintautas - southeast EPS II, and Steve Lindblom. Randall will be supervising Chris Canfield - northwest EPS II, Bob Chesson - northwest EPS II, and John Axelson - northeast EPS II. Both Margaret and Randall have repeatedly demonstrated their abilities to step up and tackle challenging environmental issues related to oil and gas operations in Colorado. Their knowledge of the industry and the COGCC rules, procedures, and policies will be invaluable in helping to bring the new environmental staff members up to a fully functioning level very quickly. Congratulations are extended to Margaret and Randall.

The COGCC is pleased to announce the addition of John Axelson, Chris Canfield, and Peter Gintautas to the staff as Environmental Protection Specialists (EPS) II. These three new positions will enhance our presence in the field and they will be able to provide more immediate response to various environmental issues, including the investigation of complaints alleging impacts from oil and gas activities and environmental emergency response, along with monitoring ongoing environmental projects. In addition, they will increase our ability to assist operators in identifying problems have the potential to cause environmental impacts.

John Axelson is based in Brighton and will work in the northeastern portion of the state. John has a B.A. degree in geology from Western State College in Gunnison. He has worked as an environmental consultant for over 15 years and has extensive experience in the assessment and remediation of petroleum hydrocarbons in soil and ground water.

Chris Canfield is based in the Rifle area and will bring additional expertise to the COGCC's already strong presence. Chris has a B.A. degree in geology from Indiana University. He has worked as an environmental consultant for over 15 years, primarily on environmental compliance and ground water and soil remediation issues at petroleum related sites. In addition, Chris has 8 years of experience working in the oil and gas industry, including work in the San Juan Basin and elsewhere throughout the intermountain west.



Peter Gintautas will be based in Trinidad and will work in the southeastern portion of the state. Peter has more than 25 years of experience in geology, geochemistry and environmental chemistry. Peter has performed research on the interaction and transport of metals and organic compounds from natural and anthropogenic sources in ground waters, soils, sediments and surface waters. He earned a doctorate in geochemistry at Colorado School of Mines while researching the composition of landfill leachates and their interactions with aquifer mineral surfaces.

We are very pleased to have such highly qualified professionals join our staff.

The offer for the southwest position has been accepted and the selected candidate will begin work on November 29, 2006.

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:

1. Four additional FTE (2 permit technicians, 1 Engineer, and 1 Accountant) and continuation of funding for four contractors to assist with permitting. Additional lease space for the Denver office is also included in this decision item. \$571,472
2. An application programmer position (1 FTE) \$78,235
3. A contractor to assist with oil shale permitting \$60,000
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

◆ 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 Deple-

tion 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. The kick off meeting between Papadopoulos, DWR, CGS, and the COGCC will be held on December 12, 2006.

◆ CDPHE Air Quality Control Commission

On November 16 and 17, 2006, the Air Quality Control Commission (AQCC) held a public rulemaking hearing to consider a proposal by the Air Pollution Control Division (APCD) to revise Regulation Number 7 - Emissions of Volatile Organic Compounds to address the increased emissions of volatile organic compounds and oxides of nitrogen from oil and gas exploration and production activities in the nine county deferred ozone non-attainment area. The Division also proposed a revision to the rule to require emission controls for oil and gas operations on a statewide basis. The proposed rule changes are available on the AQCC website www.cdphe.state.co.us/op/aqcc. John Axelson, the new NE Colorado EPS II attended the hearing.

◆ CDPHE Water Quality Control Commission

On January 8, 2007, the WQCC will consider the adoption of revisions to current provisions regarding 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 for consideration of 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 Grande Basin, Lower Colorado Basin, and the South Platte, Laramie, Republican and Smoky Hill River Basins, Regulations #32-38 (5 CCR 1002-32 to 38). If adopted, these changes may affect the



discharge standards for produced water currently being discharged in several areas in Colorado.

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

An investigation of oil and gas wells abandoned under the COGCC Environmental Response Fund (ERF) program is in the planning stages. The investigation is intended to verify that potentially hazardous environmental conditions do not exist in the vicinity of these wells by making visual inspections and conducting soil gas surveys. The COGCC staff has compiled a list of 230 wells that will be investigated for an estimated cost of \$130,000. COGCC staff proposes to divide the wells by region and then to hire different contractors tackle the inspections in each region. At today's hearing, COGCC staff will ask the Commission to approve the spending of \$130,000 from the Special Environmental Projects appropriation from Fund 170.

Pipeline Regulations

The revised federal regulations regarding "gathering lines" become final on October 1, 2006, and are codified in 49 CFR 192. The revisions to the regulations were made in response congressional mandates to improve public safety. The revisions provide a more detailed definition for gathering lines and a process for determining the level of oversight and regulation of a gathering line based on risk. Class I lines however would have no federal oversight. The Colorado Public Utilities Commission (CPUC), which enacts and enforces the federal pipeline safety rules in Colorado has also recently conducted rule making. The intent was to incorporate the federal minimum standards with some additional requirements. This rule making was heard by the CPUC on November 17, 2006, however, final hearing has been delayed until December 1, 2006, to allow for an additional comment period.

COGCC staff attended an Onshore Gas Gathering Line Definition/Regulation seminar sponsored by

the Gas Processors Association on November 16, 2006. Representatives from the Department of Transportation-Pipeline and Hazardous Materials Administration (DOT-PHMSA) along with industry representative were featured speakers. The new federal regulations were discussed and clarified. However, the regulation, incorporated documents and the gas gathering industry are so complex that even federal pipeline officials had some disagreement on the classification of several systems discussed during the seminar. Steve Pott, Natural Gas Safety Program Manager for CPUC indicated that the CPUC is considering proposing regulations that would incorporate all gathering lines under CPUC jurisdiction. Several midstream gas gathering companies expressed concern that operation and maintenance of flow lines that are located in subdivisions may not be adequate to protect public safety. COGCC staff will continue to track the issue.

◆ USFS - Enforcement Regarding Bird Deaths in Oil and Gas Heater/Treaters and Other Fired Equipment

Over the next several months the 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.



◆ COGCC Annual Report to Colorado Department of Public Health and Environment - Water Quality Control Commission

The environmental staff will present the COGCC's Annual Report to the WQCC on December 11, 2006. A copy of the written report will be provided to the COGCC Commissioners and will be available on the COGCC website (www.oil-gas.state.co.us) under "Library."

◆ Public Outreach Opportunities

Brian Macke and Debbie Baldwin provided an update on COGCC activities and a presentation about COGCC regulation during a meeting of the Colorado Department of Public Health and the Environment (CDPHE) Oil and Gas Team on October 31, 2006. The CDPHE Oil and Gas Team is a group of staff from various CDPHE environmental agencies, including the Water Quality Control Division, the Air Pollution Control Division, the Hazardous Materials and Waste Management Division, and the Consumer Protection Division, who are involved with oil and gas regulatory issues. Also included in the meeting were health directors from Weld, Broomfield, and Garfield County.

Brian Macke provided an update on COGCC activities and oil and gas regulation and a discussion of upcoming COGCC priorities during a meeting of the Colorado Petroleum Association (CPA) Environmental Committee at the CPA Annual Meeting in Denver on November 14, 2006.

Brian Macke has been invited to participate in a panel discussion titled "Oil and Gas Expansion Issues" at the Colorado Weed Management Association/Colorado Section of the Society for Range Management Joint Meeting in Grand Junction, Colorado on December 6, 2006. This is the first occasion that these two organizations have held a combined meeting, and is a good opportunity for the COGCC to provide education and outreach to these stakeholders.

Brian Macke has been invited to provide an update on oil and gas development in Colorado with an emphasis on Northwest Colorado and COGCC regulations during a meeting of the Northwest Colorado Energy Producers Association on December 7 in Craig, 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 fifty-eight (58) requests for onsite inspections.

Fifteen (15) onsite inspections have been conducted, two (2) are in the process of being scheduled, twenty-eight (28) requests for inspections have been withdrawn, and thirteen (13) 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 fifty-eight (58) requests for Onsite Inspection, thirty-three (33) were for locations in Weld County, twelve (12) for Las Animas County, three (3) each for Yuma and La Plata Counties, two (2) for Garfield, and one (1) each for Adams, 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.

◆ January 2007 Hearing Docket

A preliminary docket for the January 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 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 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 checking 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 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

New 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 released the 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 (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. With the assistance of the GWPC, the automated process is now in production and allows for 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 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 can not 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 Gerdorn 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 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, which is being used as a starting point for the file format being created by the working group mentioned above. The COGCC is working towards an industry review for this XML file format in early 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 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.

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.

VIII. VARIANCES

No variances have been granted since the October Staff Report.



IN THE NEWS

Leak in natural gas field leads to evacuation of one-mile area

By JOHN LA PORTE

Times News Editor

Residents around the Colorado Interstate Gas Co. natural gas field south of Fort Morgan were evacuated from their homes Sunday after discovery of a leak that sent gas and water bubbling to the surface in several locations.

The gas, kept in formations of rock more than 5,000 underground, bubbled up to

the surface, pushing ground water from a shallower depth ahead of it, Morgan County Sheriff Jim Crone said.

Residents from eight homes in the area, all of them south of County Road N on and around County Road 18, were asked to leave their homes, Crone said.

"We escorted people back into their houses to get clothes and medication and so on," Crone said.

The families were expected to be out of their homes at least through today.

The gas company put them up at a local motel and provided meals, Crone said.

Sheriff's officials reported that there were cracks in the foundation of at least one home near the plant and that County Road 18 was cracked near one of the spots where gas leaked to the surface.

Small geysers of muddy

water were visible in several fields near the plant.

Sheriff's officials were called shortly before 2 p.m. Sunday; the leak was discovered earlier that day.

Colorado Interstate Gas Co. has stored natural gas underground since the 1960s.

CIG official Rich Prouty said this was the first incident he knew of involving a gas leak in the field.

See Leak,

October 24, 2006
Fort Morgan Times

Leak

Continued from Page 1A

"We're trying to be real cautious," he said. "It's something very uncommon."

The source of the gas was an underground leak at one of CIG's wells, said Joe Hollier, an emergency response and media relations staff member from CIG's parent company,

El Paso Corp.

The leak has been plugged, he said, but some of the gas migrated and is still coming out.

In addition to evacuating homes within a radius of about a mile around the area, Hollier said, company officials are asking people in that zone not to drink any domestic well

water until the water is tested. The company will be doing water and air samples, he added.

"We're still monitoring and sampling the area and will do so until it's safe for them to return," Hollier said.

— Contact John La Porte at news@fmtimes.com.



Pioneer executive extols Raton basin drilling

October 25, 2006

By Tammy Alhadeff
The Pueblo Chieftan

TRINIDAD - Raton basin landowners gathered for drinks and a buffet Sunday at the annual Pioneer Natural Resources landowners dinner, taking advantage of the chance to ask questions and meet company contacts.

More than 150 landowners, company officials and others came to listen to executive vice president Jay Still discuss strides the company has made over the course of the year in production, environmental issues and community contributions as well as to dispel myths surrounding company practices.

Pioneer, which employs more than 400 locals and 350 full-time contractors in the basin coal bed methane development area, is the largest employer in Las Animas County. The company produces enough coal bed methane to provide 50 percent of the state's natural gas consumption, although Still was quick to point out that most of that gas is exported out of Colorado.

Still said natural gas production "is important for this county and important for our country."

Pioneer leases 200,000 acres from local people, creating \$250 million per year in direct economic impact and \$1.7 billion in indirect economic impact via payments to contractors and other services, Still said.

He also said the company has created \$5.5 million in tax revenue this year and has given almost \$1 million in charitable contributions locally in the last two years, focusing on schools, energy assistance and other community programs.

"This is where our employees live," he said. Pioneer is a major contributor to the energy production and industrial construction program at Trinidad State Junior College.

Still focused on dispelling arguments that drilling causes earthquakes.

"As long as the mountains are still growing, there will be earthquakes in this region." He said that the depth of the drilling and the depth of the earthquakes do not coincide.

He also dealt with personal issues, such as fielding a question from a man concerned about contractors cutting the lock on his gate.

"If they cut the lock, we'll provide a new one," Still said. A volunteer firefighter wanted to know if the company planned to do any emergency exercises with the local fire departments to be prepared in the event of a fire. Still thought it was a good idea and said he would have someone look into it.

"We are very active with the fire departments," he said, adding that the company had donated equipment in the past.

Several in attendance wanted to know if electricity would be routed to their wells, enabling the company to put in quieter engines.

"If we can get power to your well, we will," Still said. San Isabel does not have the three-phase power the company would like to put in larger engines, a fact that the company cannot control, he said.



Still encouraged landowners to call local land managers with questions and concerns.

"If we don't know there's a problem, we can't fix it," he said.

The company also plans to expand its study on the impact of production sites on the elk population.

Pioneers in drilling

October 31, 2006

By Dan Olsen

Craig Daily Press

Kimberly Mazza has come to Craig today to answer questions that the public may have about drilling for natural gas in Moffat County.

As a senior public relations adviser for Pioneer Natural Resources, Mazza travels throughout the western region of the company's operations area.

She will be speaking at the Chamber of Commerce October breakfast at the VFW this morning and then at a meeting with the county commissioners during their Tuesday meeting.

In Las Animas County, near the New Mexico state line, Pioneer has drilling operations under way in the Raton Basin. It currently employs about 400 employees and 350 contractors.

The expectations are a little lower in Northwest Colorado because the gas deposits are considered to be smaller in this area, but the real development depends on what is discovered by the number of test wells the company has drilled recently near the town of Lay.

"We're still in the exploration phase of drilling for natural gas," Maaza said about Moffat County operations. "It takes a lot of time, money and resources to drill exploratory wells."

In Moffat County, Pioneer is drilling mostly on private land, including at sites on the Sombrero Ranches.

Mazza said the company has learned a lot about protecting wildlife from its experiences drilling near Trinidad.

"We have been tagging and collaring elk to see how they react to the drilling operations," she said. "Big game hunters are a big concern to us in Las Animas County also."

Mazza said that studies include looking at changes that take place in the diet of the local elk herds to determine whether they are planting the right foliage during the reclamation process.

She said that the ongoing study of the elk examines breeding and eating habits, as well as sleeping and calving tendencies that change with the seasons.

"Cattle rotation near the drill sites has led to new foliage growth that the elk seem to prefer over the nearby wildlife acreage," Mazza said.

Water is also a big concern to residents of Colorado, and Mazza said Pioneer's new water treatment plant west of Craig is now operational. The plant will have to be permitted to make sure the water is pure enough to be discharged into the Colorado River basin.



Aquifers near the surface are protected during the drilling process by encasing the drill hole in concrete and steel pipe.

Economic impact to the region is unknown with the drilling still in the early stages of development, Mazza said. Pioneer currently employs about a dozen workers in Moffat County.

Oil well supply companies moved into the Raton Basin area after wells were found to be productive there.

The goals of being neighborly and having minimum impact on the environment are always priorities for Pioneer, Mazza said.

"We try to go over and above what's required," she said. "We want to be in good standing with the land owners. We try hard to be gracious neighbors."

Lands burned by Red Apple Fire get new lease on life

November 1, 2006

By Donna Gray

Post Independent - Glenwood Springs

Land south of Rifle that was burned by a fire in August will see new life next spring thanks to the efforts of the National Resources Conservation Service, the Bookcliffs Conservation District and Williams Production.

The Red Apple Fire started on Aug. 31 and burned 800 acres of pinion, juniper and sagebrush about five miles south of Rifle. The fire was accidentally caused by a homeowner in the area using a weed-trimming device. Heat from the tool that had been set on the ground ignited dry weeds, according to police reports.

Next week, thanks to a \$40,000 donation from Williams Production, one of Garfield County's largest natural gas producers, grass and shrub seeds will be sown onto the ground from an airplane, said NRCS district conservationist Dennis Davidson.

The reseeding project will take place on private land. Davidson said the members of the Bookcliffs Conservation District contacted landowners who were effected by the fire who in turn let the NRCS know they were interested in the reseeding effort.

Then Williams stepped up with a donation. Landowners covered about 10 percent of the cost and the Mule Deer Foundation contributed \$1,000, Davidson said.

"No federal dollars went into the project" except technical advice from the NRCS, he said.

Mountain Airspray of Craig will spread the seeds over the fire area some time next week depending on weather conditions.

Davidson said the grass and shrubs he hopes will sprout in the spring will arrest soil erosion and flash flooding that could come in the wake of the fire.

"Our biggest goal is to get the grass seed (to grow) and not cheat grass," an invasive non-native grass, he said.

Included in the grass seed mix are various species of wheat grass, bluegrass, Indian rice grass and alfalfa. The plane will also broadcast big sage and saltbush seeds.



"We're hoping the seeds will lay on the ground through the winter and not germinate, and will grow in the spring," Davidson said. If the weather stays wintry with no major warm periods, the seeds will lie dormant soaking up moisture, then germinate in the spring.

Davidson applauded the work of the Bookcliffs Conservation District and Williams' donation. "It wouldn't have happened without them," he said.

Gas in well

November 9, 2006
By Chris Marcheso
Fort Morgan Times

As of Wednesday, methane in water from 37 domestic wells near a natural gas leak that happened Oct. 22 in a natural gas field south of Fort Morgan is well below two milligrams per liter, which is below the Environmental Protection Agency's standards of dangerous levels.

This is according to Stacey Malerba, chemist and project manager for the Colorado Gas Co. (CIG), who spoke to a crowd of more than 60 Wednesday at the Country Steak-Out.

A number of representatives from CIG and El Paso Corp., CIG's parent company, and other specialists brought in to work on the leak provided information about what has been done since the leak, what is currently being done and what future plans are.

El Paso provides natural gas and related energy products, and Matt Mask, director of operations for the Rocky Mountain division, said while the company has annual mock emergencies, they are different from the real thing.

"We're not well-practiced at emergencies like this because they don't happen," Mask said. "A mock emergency is never like the real thing."

But Mask and other representatives explained to the crowd that they see this as an isolated incident and will continue to work to ensure the safety of residents surrounding the field along County Roads 18 and 17 between County Roads N and O.

The storage field was discovered in 1954 and went into storage service in 1966. It sits on 3,220 acres, and there are 34 wells used to store almost 15 billion cubic feet of natural gas. It is a depleted field used primarily for storage.

Mask noted that the field plays an important role for the Fort Morgan community as it supplies homes, schools, businesses, hospitals and power plants with natural gas in both Fort Morgan and along the Front Range.

There are five fields in the Rocky Mountain division, Mask added.

Rich Prouty, area manager for the field and facility, said the leak was in a pipe about a mile down to the gas reservoir and the leak came into the upper zone and vented out to the surface in two general areas southwest and southeast of the plant.



Representatives of both CIG and El Paso received a call about 12:30 p.m. Oct. 22 that water and gas were bubbling to the surface, Prouty said, as he made contacts to implement corporate emergency response procedures and determine where the leak was coming from and get it shut off. He added that the companies worked to inform surrounding residents as soon as possible.

County commissioners adopt regulations aimed at man camps

November 15, 2006

By Donna Gray

Post Independent - Glenwood Springs

While Garfield County has strongly resisted regulating the oil and gas industry in the past, it took a step in that direction Monday by adopting land use regulations that will govern temporary employee housing, commonly called man camps.

Although the new regulations apply to all areas of the county and cover housing for all industries, their intent and the forces that propelled them focus squarely on oil and gas.

Along with the increased drilling activity in the county comes demand for housing the workers in that industry. Housing shortages especially in the west end of the county where the drilling is taking place have led larger companies to build temporary trailer camps close to drilling sites.

That in turn led the county to reconsider its zoning regulations governing temporary employee housing, which were put in place in the late 1970s when oil shale was beginning to boom. It was during that era that the county saw large man camps built to house hundreds of workers.

In amending the regulations Monday, the county now requires a company to apply for a special use permit, which involves a public hearing before the planning and zoning commission and the county commissioners.

Under the regulations, the company will have to demonstrate there is a severe housing shortage in the area of its activity.

It also requires water and sewage treatment ranging from individual sewage disposal systems to portable toilets and periodic water testing, depending on the size and duration of the camp.

Camps are also required to be at least one mile apart. Permits are issued for one year with the option to renew annually at a public hearing.

Commissioner Larry McCown expressed concern the new regulations were "a case of Big Brother" government. "I see this as OK if you have 300 or 400 people," he said.

The commissioners also debated whether the regulations should apply only to remote areas in the county where workers have to commute some hours to the drilling sites, and where man camps could mean better living conditions and safety for the drill rig crews.

Commissioner Trési Houpt argued that applying the regulations to all parts of the county could mean allowing man camps near residential districts.

"I have heard from western Garfield County concerns about having the camps near communities," she said.

But McCown pressed for an all-encompassing regulation.



"I think the problem (of employee housing), if we're not facing it today ... we'll see it in the not-too-distant future," he said.

Not only will the oil and gas industry continue to grow, but large construction projects are also looming, including enlargement of the county airport near Rifle. By applying the regulations to many industries countywide, they would cover other contingencies.

Williams Production RMT brought the idea for the new regulations to the county this summer. Williams, one of the county's largest natural gas producers, is also looking at establishing an employee housing camp this winter.

The new regulations "take care of two issues - safety and sanitation," said Phil Vaughn, a consultant and chairman of the county planning and zoning commission who worked on the regulations for Williams.

An associated issue will also get its own set of regulations. The county recently learned that the Colorado Oil and Gas Conservation Commission does not regulate what are called "essential personnel," two or three key employees on a drill rig who must be present at all times while drilling in is process.

A letter from an assistant state attorney general said COGCC does not regulate those employees and their housing, which is typically modulars or trailers parked on the well pad during drilling.

Although they bypass the temporary housing regulation that technically applies to essential personnel on well pads, the commissioners said they would not cite operators for violations to the new code until a new regulation applied specifically to that situation is written and adopted.

Several oil and gas company representatives urged the commissioners to adopt the temporary housing regulations Monday.

Man camps "allow us to keep those guys to themselves ... (with) no guns and no women, so there shouldn't be a problem," said Brenda Lister Herndon, permit and right-of-way coordinator for EnCana.

In voting to apply the regulations to all areas of the county, Commissioner John Martin said, "(It) gives the board the opportunity to ... say 'yea' or 'nay'" to a permit application. "I would much rather be able to review those applications."

With the regulations in place, they could "make people more selective where (they) locate the camps," he added.

Air panel postpones action on new rules

Late revisions for coal-fired plants and the energy industry at a three-day hearing are called a "manifest injustice."

November 19, 2006
By Kim McGuire
Denver Post

A flurry of last-minute proposals ultimately derailed a marathon three-day hearing of the Colorado Air Quality Control Commission, postponing key decisions on new rules aimed at reducing pollution from coal-fired power plants and oil and gas companies.



The state health department had offered three major proposals to clean up Colorado's air — one targeting mercury emissions from power plants and two reducing oil and gas pollution that helps create ozone, a primary ingredient in urban smog.

But in each case, a new or revised proposal — either offered by a commissioner or department officials — prompted commission members to ask for more time to give the public a chance to ponder the issues.

"This is a manifest injustice," said Commissioner Jim Martin, describing the department's decision to unveil a revised oil and gas proposal on Saturday.

Commissioners heard almost 20 hours of testimony about the department's plan to curb mercury, which can impair neurological development in children. Currently, about a dozen Colorado streams and lakes have advisories that warn people not to eat the fish because of high levels of mercury.

Representatives from Xcel Energy told commissioners during the meeting that new advanced monitoring at two plants showed emissions were significantly higher than previous estimates.

Consequently, Xcel and other utilities want the state health department to permit them to release the maximum amount of mercury that a new Bush administration rule allows.

A coalition of local governments and the advocacy group Environmental Defense argued that the state should be pushing the companies to install equipment at their plants that would cut emissions even further than the reductions outlined in the state proposal.

"I would argue that if mercury emissions are four to five times greater than what we assumed, we ought to be talking about installing mercury emission controls sooner rather than later," said Vickie Patton, a Boulder-based attorney for Environmental Defense.

Commissioner Thor Nelson offered a new proposal Saturday that he said gives companies more incentive to install pollution-control equipment earlier.

"For me, the ideal solution in this context is if we can achieve vast mercury reductions but have someone else pay for it other than Colorado ratepayers," he said.

The debate on the mercury rules pushed back the time the commission had scheduled to listen to the proposed rules targeting pollution from oil and gas operators.

Still, several West Slope residents told commissioners that vapors from oil and gas operations burned their eyes, made them feel nauseated and plagued their livestock.

"We have to leave, or it's going to kill us," Silt resident Tim Trulove said.

During the days leading up to the commission hearing, the state health department agreed to revise its plan to curb ozone in the Denver area following several meetings with the oil and gas industry.

The revised proposal requires operators to abide by tougher new reporting requirements while giving them more flexibility to choose which pieces of equipment need pollution-control devices.

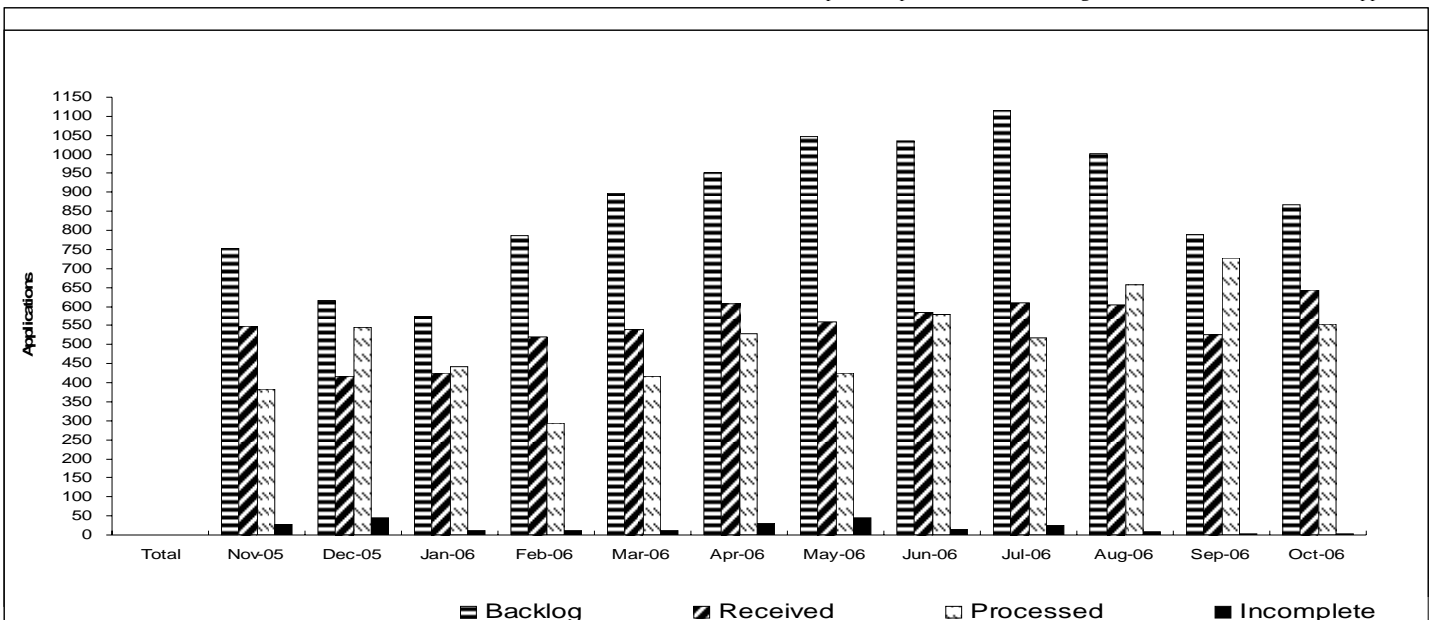
The commission is scheduled to vote on oil and gas rules in mid-December and on the mercury plan early next year.



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

	Backlog	Received	Processed	Withdrawn	Rejected	Incomplete	In-Process	Remaining
Drilling								
Nov-05	604	534	368	34	0	27	709	736
Dec-05	736	390	531	9	0	43	543	586
Jan-06	586	396	420	24	0	11	527	538
Feb-06	538	501	267	14		12	746	758
Mar-06	758	508	392	8	0	12	854	866
Apr-06	866	594	501	24	0	32	903	935
May-06	935	532	398	41	0	44	984	1028
Jun-06	1028	548	563	19	0	13	981	994
Jul-06	994	571	482	9	0	26	1048	1074
Aug-06	1074	578	626	58	0	7	961	968
Sep-06	968	498	698	9	0	4	755	759
Oct-06	759	617	531	12	0	3	830	833
Nov-06	833	0	0	0	0	0	0	833
Recompletion								
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	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	25	32	3	0	0	33	33
Sep-06	33	28	30	0	0	0	31	31
Oct-06	31	26	24	0	0	0	33	33
Nov-06	33	0	0	0	0	0	0	33
Total								
Nov-05	622	549	382	35	0	27	727	754
Dec-05	754	416	546	9	0	44	571	615
Jan-06	615	424	441	24	0	11	563	574
Feb-06	574	521	294	14	0	12	775	787
Mar-06	787	539	418	10	0	12	886	898
Apr-06	898	607	528	25	0	32	920	952
May-06	952	561	424	43	0	45	1001	1046
Jun-06	1046	586	578	19	0	13	1022	1035
Jul-06	1035	609	518	9	0	26	1091	1117
Aug-06	1117	603	658	61	0	7	994	1001
Sep-06	1001	526	728	9	0	4	786	790
Oct-06	790	643	555	12	0	3	863	866
Nov-06	866	0	0	0	0	0	0	866

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



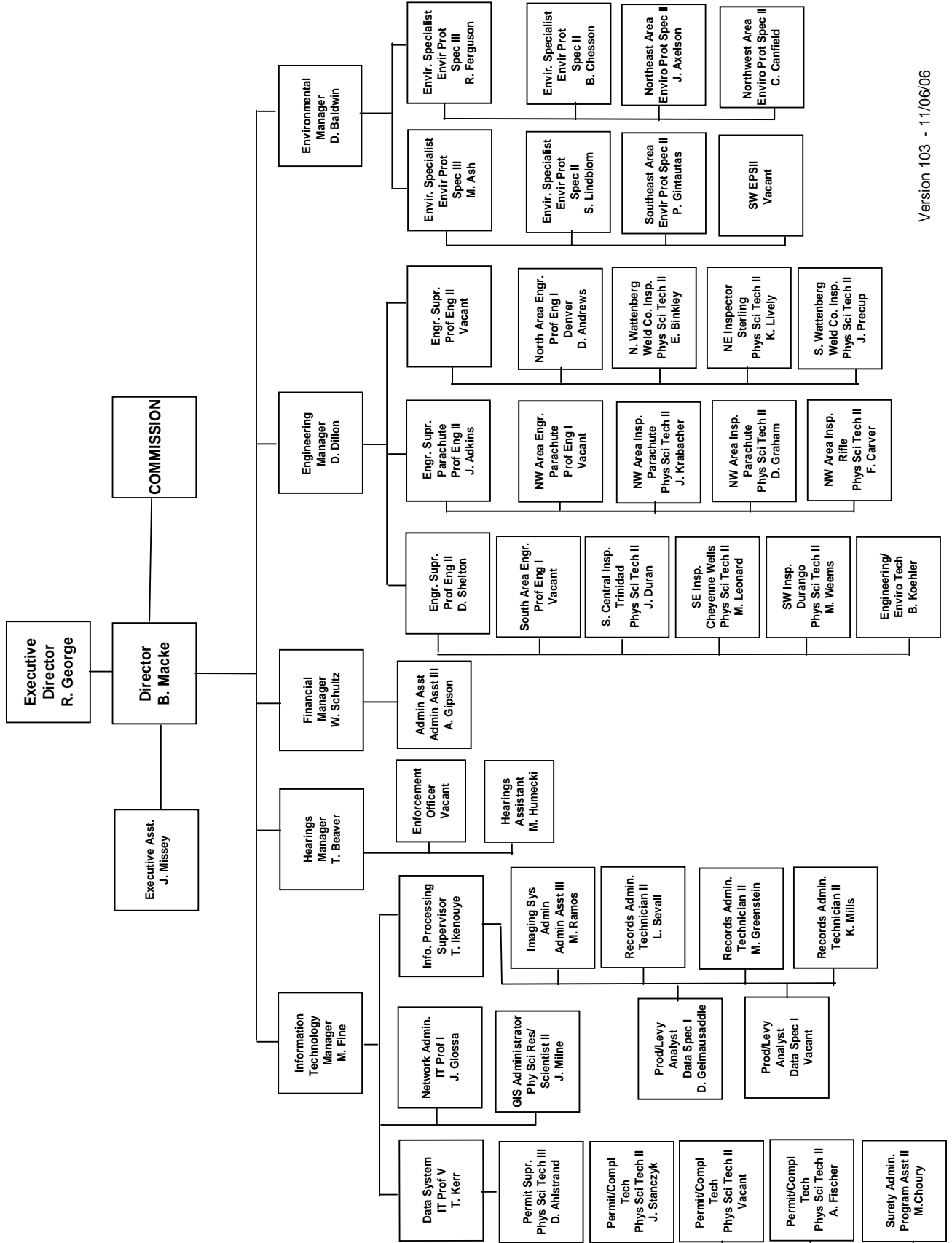
Backlog = Incomplete + In-process = Remaining permits from previous month



Outstanding Environmental Response Fund and Bond Claim Projects		11/13/2006
Plugging and Abandonment and Reclamation Projects		
Orphaned Wells and Sites		
FY 06- 07Projects		
PLANNED PROJECTS		
PROJECT	DESCRIPTION	
Garfield	Pittenger Abandonment	Planned FY 06-07 Final Abandonment and Reclamation
Logan	West Padroni O sand Assessment	Planned FY 06-07 Evaluate/Assess 5 sites with oil contamination
Logan	West Padroni O sand Remediation	Planned FY 06-07 Cleanup, remediation and reclamation 5 sites
	Monaghan 1 & 2 site cleanup	Planned FY 06-07 pipeline and trash cleanup at abandoned site
	Stewart 1 wellbore evaluation	Planned FY 06-07 evaluate leaking well (water)
	Stewart 1 PA and reclamation	Planned FY 06-07 abandon and reclaim well
Montezuma	Sierra Field Oil Contamination Assessment	Planned FY 06-07 Evaluate/Assess 1 site with oil contamination
Montezuma	Sierra Field Oil Contamination Remediation	Planned FY 06-07 Cleanup, remediation and reclamation 5 sites
PENDING PROJECTS		
PROJECT	ESTIMATED COST	ERF AMT
PROJECT	BOND AMT	SPENT TO DATE
La Plata	Bryce 1X	
	Site Eval. And Wellbore Prep.	\$3,874
	Drill Bits	\$4,900
	Consultant	\$5,228
	Dirt Work (Adobe)	\$16,160
	Bryce 1-X Pit Cleanup (Adobe)	PENDING
	Environmental Monitoring	\$52,376
	Well Re-entry and Bottom Hole Abandonment	\$323,579
	Bryce 1-X Pit Top Plugging	\$323,579
		Work Completed 8/06
		Finish PA work after venting
	Bryce 1X Current Total	\$406,116
WORK COMPLETED		
La Plata	Sierra Field Reclamation	\$4,700
Garfield	Pittenger Bond Claim - wellbore assesment	\$2,501
		\$4,700
		\$1
		\$2,501
		\$819,433
	Total Completed	



COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION





Colorado Oil & Gas Conservation Commission Monthly Statistics

YEAR	MO	Baker - Hughes rig count	Drilling		Recompletion		Permits		Injection		Pits		Active Wells		Unedited Historic Records		Public Visits		Well Oper Change
			Apv'd	Rcv'd	Apv'd	Rcv'd	Apv'd	Rcv'd	Apv'd	Rcv'd	Apv'd	Rcv'd	Apv'd	Rcv'd	Data	Office	Internet		
2003	Total	2249	2322	202	229	18	22	362	381	610	755	261956	3637						
2004	JAN	45	200	240	12	10	0	1	36	7	25283	37	49	31236	378				
	FEB	46	206	217	7	13	4	1	1	1	25423	44	30	31292	239				
	MAR	50	243	302	8	25	2	3	2	9	25561	51	70	32931	358				
	APR	51	254	194	10	8	6	2	34	36	25666	58	64	33241	214				
	MAY	52	196	240	9	17	1	2	4	17	25732	41	56	31958	252				
	JUN	51	258	228	18	13	3	4	6	4	25870	38	46	32273	249				
	JUL	52	208	236	6	6	0	3	7	4	26017	40	43	30939	278				
	AUG	60	236	268	14	19	0	1	8	42	26108	33	39	35060	363				
	SEP	59	258	295	16	17	6	4	33	47	26421	40	61	38247	1919				
	OCT	59	268	281	16	16	2	1	54	29	26657	65	31	42069	498				
	NOV	61	242	284	11	9	1	0	42	19	26819	60	30	42433	327				
	DEC	64	348	335	18	11	0	0	15	4	26968	43	30	41448	731				
2004	Total	2917	3120	145	164	25	22	242	219	550	549	423127	5806						
2005	JAN	65	263	296	7	36	0	3	8	7	27262	0	41	49839	2357				
	FEB	70	249	343	29	14	1	1	17	10	27427	0	44	51277	378				
	MAR	73	336	413	33	27	3	4	36	26	27595	0	59	60298	432				
	APR	69	418	413	14	25	1	1	25	27	27723	0	58	52606	396				
	MAY	65	340	321	13	8	0	2	25	32	27653	0	46	58881	308				
	JUN	69	340	360	13	9	2	3	58	62	28032	0	58	51402	402				
	JUL	69	312	363	19	23	3	4	39	30	28164	0	50	53182	361				
	AUG	75	377	504	9	27	5	5	25	75	28364	0	67	506820	679				
	SEP	78	389	460	24	16	3	1	101	60	28631	0	57	62058	512				
	OCT	86	437	505	19	19	1	0	26	70	28720	0	51	66542	462				
	NOV	85	368	537	13	15	0	3	72	25	28666	0	61	62880	626				
	DEC	83	530	390	15	26	3	0	33	47	28952	0	58	61024	772				
2005	Total	4359	4905	208	245	22	27	465	471	669	540	686809	7685						
2006	JAN	84	419	396	21	28	2	1	21	2	29181	0	69	73154	673				
	FEB	84	267	501	27	20	0	8	4	5	29384	0	25	73190	454				
	MAR	81	392	508	26	31	0	7	3	1	29751	0	35	105602	531				
	APR	88	501	594	27	13	5	6	33	23	29907	0	30	88082	789				
	MAY	89	398	534	26	27	0	4	19	22	30185	0	52	88825	619				
	JUN	90	563	544	15	37	1	2	41	47	30324	0	64	88661	1243				
	JUL	92	482	573	36	35	7	3	40	59	30397	0	71	85027	868				
	AUG	93	626	578	32	25	2	1	27	33	30613	0	40	78339	465				
	SEP	94	698	499	30	28	7	1	14	33	30732	0	78	79705	580				
	OCT	92	531	617	24	26	3	1	10	28	30805	0	20	89850	61				
2006	Total	4877	5344	264	270	27	34	212	253	484	746	850435	6283						

Apv'd = Approved Rcv'd = Received, Ind = Individual, Blnk't = Blanket, Appls = Application for Hearing, NOAV = Notice of Alleged Violation, AOC = Administrative Order of Consent, OTV = Order Finding Violation, Cmp't = Complaint, Comp = Completed



Colorado Oil Gas Conservation Commission Monthly Statistics

YEAR	MO	Operators		Release		Bonds		Claim		Hearings		Violations		Remediation		Field Insp		
		New	Inactive	Ind.	Blanket	Replace	Ind.	Blanket	Apps	Order	NOAV	AOC	OFV	Complt	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	3	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	8	3	18	0	1	11	20	0	2	623
	FEB	8	6	4	2	13	0	1	6	6	6	0	0	11	23	0	1	530
	MAR	8	10	8	3	12	0	0	3	5	6	0	0	21	21	2	12	725
	APR	10	5	7	4	13	0	0	8	4	16	0	1	26	22	2	11	427
	MAY	9	5	7	5	14	0	1	NA	NA	15	NA	NA	10	34	0	1	697
	JUN	15	11	2	5	14	0	0	10	7	20	3	0	12	39	2	7	650
	JUL	14	9	7	5	14	0	0	8	4	37	0	0	22	28	0	2	538
	AUG	10	2	1	2	6	0	0	4	3	36	0	0	19	28	0	4	565
	SEP	17	5	7	5	12	0	0	4	3	15	0	0	24	31	2	8	708
	OCT	14	4	6	2	12	0	0	8	8	34	0	0	35	23	4	9	499
	NOV	18	9	3	6	12	1	16	NA	NA	14	NA	NA	24	22	2	10	780
	DEC	12	3	5	2	17	1	4	15	8	38	2	2	13	35	4	2	751
2005	Total	145	72	60	48	149	2	23	74	51	255	5	4	228	326	18	69	7493
	JAN	15	5	17	5	13	0	0	14	10	5	2	1	21	31	5	10	1086
	FEB	16	2	6	4	14	0	0	11	6	10	2	0	18	37	14	3	949
	MAR	13	5	5	3	16	0	1	11	5	43	1	2	20	33	21	9	682
	APR	14	8	5	8	13	1	0	9	11	33	0	0	34	38	23	3	603
	MAY	12	5	6	4	10	0	0	NA	NA	16	NA	NA	29	23	9	6	997
	JUN	18	3	2	8	18	0	0	18	15	11	2	0	20	34	11	10	752
	JUL	10	9	2	7	8	0	0	17	11	12	1	2	31	30	12	8	417
	AUG	9	11	7	5	13	0	0	12	6	10	0	0	41	24	24	6	367
	SEP	10	4	3	5	11	0	0	12	7	35	2	0	27	12	13	7	295
	OCT	9	5	3	5	21	0	0	17	11	28	0	0	19	23	25	0	436
2006	Total	126	57	56	54	137	1	1	121	82	203	10	5	260	285	157	62	6584

Appd = Approved, Rcvd = Received, Ind = individual, Blanket = Blanket, Apps = Application for Hearing, NOAV = Notice of Alleged Violation, AOC = Administrative Order of Consent, OFV = Order Finding Violation, Complt = Compliant, Comp = Completed



HEARING DOCKET: January 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 non-consenting interests in the 160-acre drilling and spacing unit consisting of the E $\frac{1}{2}$ SW $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 17, Township 5 North, Range 65 West, 6th P.M.	PRELIMINARY 11/22/2006
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 non-consenting interests in the 160-acre drilling and spacing unit consisting of the S $\frac{1}{2}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 17, Township 5 North, Range 65 West, 6th P.M.	
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 non-consenting interests in the 160-acre drilling and spacing unit consisting of the S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 16 and the N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 21, Township 5 North, Range 65 West, 6th P.M.	
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 non-consenting interests in the 80-acre drilling and spacing unit consisting of the N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 21, Township 5 North, Range 65 West, 6th P.M.	
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 non-consenting interests in the 80-acre drilling and spacing unit consisting of the SW $\frac{1}{4}$ of Section 17, Township 5 North, Range 65 West, 6th P.M.	
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 non-consenting interests in the 80-acre drilling and spacing unit consisting of the S $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 17, Township 5 North, Range 65 West, 6th P.M.	
0701-SP-01	191	Antero Resources Piceance Corp./ William A. Keefe	11/16/2006	Mamm Creek Williams Fork/lles Garfield	Request for an order to establish a 160-acre drilling and spacing unit for the NW $\frac{1}{4}$ of Section 9, 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 Formation and 100 feet for the lles Formation from the unit boundary.	



0701-SP-02	191	Antero Resources Piceance Corp./ William A. Keefe	11/16/2006	Mamm Creek Williams Fork/Iles Garfield	Request for an order to establish a 320-acre drilling and spacing unit for the S½ of 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 Formation and 100 feet for the Iles Formation from the unit boundary.
0701-AW-01	191 & 510	Antero Resources Piceance Corp./ William A. Keefe	11/16/2006	Mamm Creek Williams Fork/Iles 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 for the Williams Fork Formation and no closer than 100 feet for the Iles Formation, from the lease line for certain lands in the N½ of Section 8, Township 6 South, Range 92 West, 6th P.M.
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.
0701-EX-01	112	BP America Production Co./ Michael J. Wozniak	11/20/2006	Ignacio-Blanco Fruitland coal seams La Plata	Request for an order allowing an exception to the permitted location in Order No. 112-156, for two (2) horizontal sidetracks with a bottom hole location in the NW¼ of Section 15, to be located no closer than 660 feet from the boundaries of the N½ of the drilling and spacing unit and for the 130 foot setback to the interior quarter section line to be eliminated, for the Annala Federal GU A #1 Well in Section 15, Township 34 North, Range 8 West, N.M.P.M.
0701-EX-02	112	BP America Production Co./ Michael J. Wozniak	11/20/2006	Ignacio-Blanco Fruitland coal seams La Plata	Request for an order allowing an exception to the permitted location in Order No. 112-156, for two (2) horizontal sidetracks with a bottom hole location in the NE¼ of Section 8, to be located no closer than 660 feet from the boundaries of the E½ of the drilling and spacing unit and for the 130 foot setback to the interior quarter section line to be eliminated, for the Bush Federal GU #2 Well in Section 8, Township 34 North, Range 7 West, N.M.P.M.
0701-EX-03	112	BP America Production Co./ Michael J. Wozniak	11/20/2006	Ignacio-Blanco Fruitland coal seams La Plata	Request for an order allowing an exception to the permitted location in Order No. 112-156, for two (2) horizontal sidetracks with a bottom hole location in the SW¼ of Section 36, to be located no closer than 660 feet from the boundaries of the S½ of the drilling and spacing unit and for the 130 foot setback to the interior quarter section line to be eliminated, for the State of Colorado AV #1 Well in Section 36, Township 35 North, Range 8 West, N.M.P.M.



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 25, Township 6 South, Range 94 West, 6th P.M., establish two (2) 160-acre drilling and spacing units consisting of the SW¼ and SE¼ of Section 25, Township 6 South, Range 94 West, 6th P.M., and 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.
0701-SP-05	139	Williams Production RMT Co./ William A. Keefe	11/20/2006	Rulison Williams Fork Garfield	Request for an order to vacate the W½ 320-acre drilling and spacing unit in Section 18, Township 6 South, Range 93 West, 6th P.M., establish one (1) 160-acre drilling and spacing unit consisting of the NW¼ of Section 18, Township 6 South, Range 93 West, 6th P.M., and allow the equivalent of one (1) well per 10 acres, with the permitted well to be located no closer than 600 feet from the unit boundary.
0701-AW-02	139, 440, 479, 510	Williams Production RMT Co./ William A. Keefe	11/20/2006	Parachute/Rulison 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 outside boundary for certain lands in Township 6 South, Ranges 95 and 96 West, 6th P.M.
0701-AW-03	139, 440, 479, 510	Williams Production RMT Co./ William A. Keefe	11/20/2006	Parachute/Rulison Williams/les/Sego 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 outside boundary for certain lands in Township 6 South, Ranges 95 and 96 West, 6th P.M.
0701-EX-04	197	Spyglass Exploration, LLC./ James F. Marquis	11/20/2006	Vilas Topeka Limestone Baca	Request for an order allowing an exception to the permitted location in Order No. 197-1, for a well to be drilled 624 feet from the north line and 155 feet from the east line in Section 30, Township 30 South, Range 45 West, 6th P.M.
0701-UP-07	191	Antero Resources Piceance Corp./ William A. Keefe	11/20/2006	Mamm Creek Williams Fork/les Garfield	Request for an order pooling all non-consenting interests in the approximate 186.3-acre drilling and spacing unit consisting of a portion of the N½ of Section 12, Township 6 South, Range 93 West, 6th P.M.
0701-SP-06	139 & 440	EnCana Oil & Gas (USA) Inc./ Michael J. Wozniak	11/20/2006	Rulison Williams Fork/les Garfield	Request for an order to establish 160-acre drilling and spacing units consisting of the NW¼ and SW¼ of Section 11, Township 7 South, Range 95 West, 6th P.M., and to allow the equivalent of one (1) well per 20 acres, with the permitted well to be located no closer than 200 feet from the unit boundary.



0701-SP-07	510	Noble Energy Inc./ Gregory R. Danielson	11/20/2006	Rulison Williams Fork/Iles Garfield/Mesa	Request for an order to amend Order No. 510-14 and establish 40-acre drilling and spacing units for the SW $\frac{1}{4}$ of Section 35, Township 7 South, Range 96 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 from the unit boundary.	
0701-OV-01	1V	Staff Recommendation	10/20/2006	Weld	AOC-Failure by Noble Energy Production, Inc. to comply with Rule 301., failure to provide written notice of intention to change plans previously approved and failure to receive written approval for the change before the work began on the Gray O 26-5 Well located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 26, Township 4 North, Range 67 West, 6th P.M.	