



Staff Report

October 23, 2006

To: COGCC Commissioners and COGCC Staff Report Readers

From: Brian Macke, COGCC Director

Date: October 23, 2006

Subject: New COGCC Staff Report Format

Dear Readers:

I am pleased to announce the Colorado Oil and Gas Conservation Commission Staff Report's brand new look. The format has changed to a more reader-friendly style.

The COGCC staff remains committed to the continuous improvement of our most important communication tool. I would like to take this opportunity to thank the COGCC staff for the considerable amount of time and effort that they devote to the preparation of each staff report in order to provide ongoing communication of our activities to our readers.



Staff Report

October 23, 2006

I. STATISTICS

- ◆ Our monthly statistics report is attached. As of October 10, 2006, there have been 4,463 Applications for Permits-To-Drill (“APDs”) approved. At this pace, it is estimated that approximately 5,760 APDs will be approved in calendar year 2006. This represents a 32% 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 October 10th are:

County	2006 (% of Total)	2005	2004
Garfield	1398 (31%)	1508	796
Weld	1063 (24%)	901	832
Yuma	576 (13%)	782	237
Las Animas	366 (8%)	413	332
Rio Blanco	298 (7%)	161	154
Mesa	208 (5%)	136	54
La Plata	177 (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 October 10, 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	4,363	2,936 (68%)	1,387 (32%)	742 (17%)	645 (15%)	636 (15%)	7 (<1%)	2 (<1%)
2006 as of 10/10/06	4,417	3,016 (68%)	1,401 (32%)	900 (20%)	501 (11%)	498 (11%)	3 (0%)	0 (0%)

Published in conjunction with COGCC hearings

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II. NORTHWEST COLORADO

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

Staff participated in the NW Colorado Oil and Gas Forum in Rifle on September 21, 2006. Director Brian Macke co-chaired the meeting with Garfield County Commissioner John Martin substituting for Larry McCown. The forum was attended by approximately 70 people made up of representatives of the industry, local governments, BLM, COGCC staff, and citizens groups. The forum continues to be a valuable tool to provide the community and industry a chance to share information.

The next meeting of the Northwest Colorado Oil and Gas Forum has been 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.

- ◆ GARCO, US BLM, CDPHE-APCD, COGCC Joint Meeting

On October 9, 2006, Debbie Baldwin and Bob Chesson participated in a meeting with Garfield County, the US BLM, and the Air Pollution Control Division at which the complex issues of energy development, growth and potential impacts on human health were discussed. Dr. Teresa Coons and Russ Walker, St. Mary's Saccomanno Research Institute, presented the preliminary results of the "Community Health Risk Analysis of Oil and Gas Industry - Public Health Concerns for Garfield County". This work is one of the Public Projects In-Lieu of Fines funded by EnCana as a result of COGCC enforcement actions.

- ◆ 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. Seventy

(70) domestic water wells have been 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 and the presence of methane gas and benzene, toluene, ethylbenzene, and xylenes (BTEX) compounds. S.S. Papadopulos & Associates, the selected contractor, completed all sampling activities on August 16, 2006 and is currently entering field and laboratory data into a COGCC compatible project database. This is the fourth in a series of baseline water quality sampling projects the COGCC staff have conducted in the Piceance Basin of Colorado.

- ◆ Local Project Status Update

The Request for Proposal (RFP) bid package for the Phase II Hydrogeological Characterization Project has been posted by Garfield County. The closing date for this RFP is October 24, 2006. This work is one of the Public Projects In-Lieu of Fines that will be funded by EnCana as a result of COGCC enforcement actions.

The Phase I Hydrogeological Characterization Project Report is available on the COGCC website (www.oil-gas.state.co.us, Library, Piceance Basin).

- ◆ Colorado Division of Wildlife Projects - Piceance Basin

Colorado Division of Wildlife (CDOW) is partnering with the BLM Glenwood Springs office to develop a pilot program to research mule deer use in a small geographic area between Rulison and Parachute and adjustments that could be made to oil and gas drilling programs to minimize and mitigate impacts on these animals. Other project participants will include Williams Production Company and the Colorado Mule Deer Association. In addition, 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 develop-



ment is occurring. COGCC staff recommend that the COGCC participate in and provide some financial support for both the mule deer study and the educational DVD. Kim Kaal, CDOW, will be making a brief presentation at the October hearing regarding both of these projects and COGCC staff will be recommending that the Commission approve the use of Fund 170 money to help support these efforts.

III. SOUTHWEST COLORADO

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

On September 21, 2006, LT Environmental, Inc. (LTE) conducted the 10th soil gas survey of the area around the Bryce 1-X Well. The results of this survey were very similar to those from August 28, 2006. A copy of their report has been provided to you. On September 28, 2006, Lynn Fechter from Four Corners Geoscience, Inc., collected water samples from the water wells of the nearby houses and fire station for methane analysis. Methane concentrations in the water wells that have previously tested high are still very high.

Based on the results of both the September soil gas survey and the water well testing, COGCC and LTE staff will be meeting on October 20, 2006 to discuss and develop plans for the active remediation of the residual gas in the gravel terrace deposits and in the ground water aquifers of the Nacimiento Formation.

◆ 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 COGCC's Fund 170.

◆ Fruitland Outcrop Methane Seepage Mitigation

On October 19, 2006 COGCC staff and the La Plata County Energy Council's (LPCEC) Methane Mitigation Work Group (Work Group) will be meeting with the La Plata County Board of County Commissioners (BOCC) to discuss the efforts made this year on developing a strategy for mitigating the effects of methane seepage from the outcrop of the Fruitland Formation. Topics that will be discussed include an overview of key mitigation concepts, the scope of future efforts, funding for several proposed mitigation projects, staffing and participation in the Work Group. The information presented will be similar to that presented to the COGCC Commissioners at the September 19, 2006 Hearing.

IV. NORTHEASTERN 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.

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 kickoff meeting for the project was held on October 2, 2006 and field activities will begin soon.

◆ Wellington Field Water Treatment Project - Larimer County

Wellington Operating and Mr. Richard Sewell (Wellington Water Works or "W3") continue to operate at a reduced capacity (less than the 100 gallon per minute maximum treatment capacity) mainly due to treatment issues



related to entrained hydrocarbons. W3 is “fine tuning” the treatment process to eliminate filter clogging problems that occur because of the entrained hydrocarbons.

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 developed and signed by the contractor. The project will be initiated within 10 days of receiving the signed contract from DNR procurement.

◆ Water Well Impacts - Las Animas County

COGCC staff and Pioneer Natural Resources, Inc. (Pioneer) continue to investigate and respond to complaints resulting from impacts to two domestic water wells in the North Fork Ranch Area (NFRA) of Las Animas County initially investigated on July 20, 2006. Pioneer continues to work cooperatively with the COGCC and the impacted landowners to address the issues. The two impacted water wells have been sampled by Pioneer and/or COGCC thirteen (13) times and Pioneer continues to provide city water for household use and bottled water for drinking to both landowners. Based on the laboratory analytical data it appears that water quality in both wells meets primary drinking water standards.

Methane levels have also dropped and the concentrations in the most recent samples from both wells were at or below 1.0 mg/l. The concentration of manganese in one of the water wells continues to exceed the secondary drinking water standard for manganese of 0.05 mg/l. Manganese, like taste, color, and odor, is a secondary drinking water constituent for aesthetic reasons.

Pioneer has constructed a new water well and installed a 1,500 gallon below ground cistern for one of the landowners. The new well is producing water at approximately 1.5 gallons per minute, which is less than the original well. Water quality data have not yet been provided to the COGCC. Pioneer is also working with the

other affected landowner and their consulting hydrologist to drill and construct a replacement water well. Pioneer has also offered to install filtration systems for both landowners on either the new or old wells; however, at this time neither landowner has accepted this offer.

Pioneer continues to maintain its voluntarily 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 NFRA. Pioneer is currently developing a monitoring plan that will be initiated prior to conducting further drilling operations on the NFRA. This monitoring program includes the installation of approximately 8 to 10 monitoring wells within the NFRA that 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.

Water quality data for a water well that another landowner believes has been impacted by CBM activities have been reviewed by COGCC staff and there does not appear to have been an impact. Water quality data collected by COGCC are fairly consistent with samples collected by the landowner’s consultant in 2005 and 2006. However, the landowner believes that the water is more turbid than before and that it has an odor that was not present in 2005. Based on bacteriological testing conducted by the COGCC these issues may be related to biofouling in the well or cistern. The COGCC will continue to work with landowner in an attempt to address these issues.

VI. ORGANIZATION

◆ Staff Organization

The COGCC is pleased to announce the addition of Mike Leonard to the staff as an Engineering Technician II. This is a new position that will provide the COGCC with additional field inspection presence in southeastern Colorado. Mike will be based out of Cheyenne Wells and will perform field duties in various southeastern counties. Mike has over 20 years of experience in oil and gas operations



and has worked extensively in the Cheyenne Wells area. The addition of Mike to the COGCC staff will allow the COGCC to split the large territory currently covered by John Duran, allowing John to provide more field presence in the Trinidad area.

The COGCC is pleased to announce the addition of Franki Carver to the staff as an Engineering Technician II. This is a new position that will provide the COGCC with additional field inspection presence in northwestern Colorado. Franki will be based in the Rifle area and will perform field duties in various northwestern counties. She has over four years of experience in oil and gas operations and has received geology and economic degrees from Mesa State College in Grand Junction.

Margaret ("Marg") Humecki has accepted the Hearings Assistant position effective October 16, 2006. She successfully completed the open competitive employment process put in place after this position was approved during the 2006 Legislative Session. Marg has been working on a temporary basis as the Hearings Assistant since July 2005 and we are pleased to have her as a permanent employee.

Offers have been made to the top candidates for the four EPS II positions. The offers for the northwest, northeast, and southeast positions have been accepted and the selected candidates will begin work on November 6, 2006. The offer for the southwest position has also been accepted and the selected candidate will begin work on November 27, 2006.

VII. PLANNING/ADMINISTRATION/OTHER

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

The Colorado Geological Survey, Division of Water Resources, and COGCC staffs are reviewing the bids for the "Coalbed Methane Stream Depletion Assessment Study of the Raton and Piceance Basins." The purpose of this study is to develop a

quantitative assessment of the levels of stream depletion (or reduction in formation outflows) that may be occurring as a result of the removal of water by CBM wells. This work will be similar to the study done last year in the San Juan Basin and extends the assessment to other CBM producing basins of Colorado.

◆ CDPHE Air Quality Control Commission

On November 16 and 17, 2006, the Air Quality Control Commission (AQCC) will be holding 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 will also propose 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.

◆ 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.



◆ 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.

◆ Public Outreach Opportunities

Northwest Area Engineering Supervisor Jaime Adkins made a presentation on current and projected oil and gas well permitting and drilling activity levels to the Colorado Rural Electric Association's (CREA) annual meeting on Monday, September 25, 2006, in Grand Junction. The CREA is organized to discuss issues affecting their ability to meet the electrical power needs of users throughout the state. The Oil and Gas Industry has placed extremely high demands upon electrical distribution systems in areas of the state where development activity has been the greatest.

Brian Macke provided a presentation about COGCC activities and regulation at the American Planning Association Colorado Annual Conference in Telluride on Friday, September 22, 2006. This event was an excellent opportunity to interface with many of the local government representatives who serve as Local Governmental Designees (LGDs) across the state.

Brian Macke provided a presentation about COGCC activities and regulation at an energy seminar sponsored by the Grand Junction Chamber of Commerce in Grand Junction on October 4, 2006. This session, which was one part of a multi-session series of seminars designed to educate local business leaders about energy development in northwest Colorado, was a very good opportunity to provide education and outreach. We were told that this session drew a top level of attendance.

Brian Macke attended the first Annual Awards Reception that was hosted by the Grand Valley Citizens Alliance in Rifle on October 11, 2006. The two types of awards that were presented were the Gene Park Corporate Citizen award and the Shirley Willis Outstanding Member awards. The awards were given to three residents of the Rifle, Silt, and New Castle area and to Antero Resources for the collaborative development of "The Rifle, Silt, New Castle Community Development Plan". As stated in the plan, it is a "ground-breaking project and a new blueprint for how a community and industry can work together to successfully manage natural gas development in a rural residential/agricultural area." The COGCC would like to recognize this remarkable achievement that has forged a partnership between the industry and the community that can have positive results for everyone involved. The COGCC would also like to congratulate the Grand Valley Citizens Alliance for providing this positive recognition, and for inviting COGCC staff to attend the event. See the article on page 17 for the complete story.

◆ 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-six (56) requests for onsite inspections.



Fourteen (14) onsite inspections have been conducted, two (2) are in the process of being scheduled, twenty-six (26) requests for inspections have been withdrawn, and fourteen (14) 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-six requests for Onsite Inspection, thirty-three (33) were for locations in Weld County, twelve (12) for Las Animas County, three (3) for Yuma County, two (2) each for Garfield and La Plata Counties and one (1) each for Adams, Archuleta, Boulder, and Kiowa Counties.

◆ Environmental Response Fund (ERF) Project Status

Attached on page 20 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.

◆ November 2006 Hearing Docket

A preliminary docket for the November 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 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

LAS File Upload

Beginning August 24, 2006, all digital well logs submitted to the COGCC over the Internet are to be in LAS (log ASCII) format. In addition to the LAS file, a paper log file is still required. Additionally an operator can submit the same log file in a PDS format, but the PDS format cannot replace the LAS requirement. To submit digital well logs over the Internet, an application must be completed. The application is available from the "Forms" page on COGCC web site <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).

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 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 from before 1999 into the COGIS database environment has been delayed due to technical problems with the development. The release of the new information system is now scheduled for November. 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 on the production data pages will be the ability to download the result sets of the queries.

Helpful Applications on the WEB

Two applications are on the COGCC website to help operators with the entering of data relating to well 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 February, 2007 for this format. Once the format is approved, an application will be created for Colorado to receive the directional surveys electronically. Many thanks to Mr. Dewey Gerdom of Petroleum Development Corporation for his insight regarding the need for such a data set.

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 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 COGIS 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

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 a industry review for this XML file format in early 2007.

Database Cleanup Project

The database cleanup project updated almost 35,000 historic well records before funding was exhausted. Fewer than 28,000 well records remain 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 variance under Rule 502.b. to a setback requirement of 600 feet from a unit boundary has been granted to EnCana Oil & Gas for the Okagawa #3-12B and #3-11A Wells in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 3, Township 7 South, Range 92 West,

6th P.M., Garfield County. These wells are 313 feet from the boundary lines. EnCana sent waiver requests to all mineral owners and received waivers from 87%. No protests were received from the mineral owners who did not respond.

IN THE NEWS

Gas pipeline gets initial OK

Agency adopts rates for 713-mile portion of Express project

September 22, 2006
By Gargi Chakrabarty
Rocky Mountain News

Federal regulators on Thursday approved a portion of the \$4.4 billion Rockies Express pipeline that will carry natural gas from energy-rich areas of Colorado to the energy-starved Midwest.

The Federal Energy Regulatory Commission approved proposed rates for the 713-mile western portion of the pipeline project, which runs from Colorado to Missouri. The project still must receive environmental approvals from the commission.

Houston-based Kinder Morgan Energy Partners LP owns a 51 percent stake in the pipeline, while Conoco Phillips, also of Houston, owns 24 percent. The remaining 25 percent belongs to San Diego's Sempra Pipelines & Storage, a unit of Sempra Energy.

The pipeline would cover 1,663 miles and begin partial service by late 2007 and full service by 2009.

"We are pleased with (the commission's) decision," said Kinder Morgan spokesman Allen Fore. "It's an important step in the project, and we are continuing to move ahead."

The pipeline, linking Weld County's Cheyenne Hub to the Clarington Hub in eastern Ohio, could carry as much as 1.8 billion cubic feet of gas per day.

Gas development in neighboring counties is also on the rise. An estimated 275 drilling permits will be issued for Mesa County this year, as well as 140 in Moffat County and 400 in Rio Blanco. COGCC previously underestimated future development in those counties. This time last year, for example, COGCC estimated Rio Blanco would see about 100 drilling permits.

"Production is on a significant incline," this year, Macke said. Colorado will produce approximately 3.3 billion cubic feet of natural gas per day this year. The gas is valued at \$10 billion. "That's doubled in the last three years and quadrupled in the last four to five years," Macke said.

Garfield County will produce about 325 billion cubic feet of gas this year, with a production value of \$2.2 billion.



Oil, gas producing a record year for revenues

State could take in \$342 million in leases, property taxes

September 28, 2006

By Gargi Chakrabarty

Rocky Mountain News

The booming oil and gas sector is still on a roll and will deliver another year of record revenues for Colorado.

The state is set to pocket \$342 million this year in property taxes and federal mineral lease revenue, including royalties, rent and bonuses from drilling. That's more than 19 percent above the record \$287 million collected last year, the Colorado Department of Local Affairs says.

That's on top of the record \$202 million in severance tax the state already has picked up from the oil and gas sector in the fiscal year ended June 30 - up nearly 50 percent from the \$135 million in fiscal 2005.

Property tax, federal mineral lease revenue and severance tax constitute the three revenue streams for Colorado from the oil and gas sector. The money goes to school districts, local governments and the water conservation board.

The record revenue forecast is attributed to higher natural gas and oil production, coupled with skyrocketing prices.

"Oil and gas production is a good revenue source for the local governments with production in their districts," said Stephen Colby of the state Department of Local Affairs. "Once drilling and development activities have been completed, it has a very reduced impact on social services required or public infrastructure."

Local governments collect property tax, the state collects severance tax, and the U.S. Department of the Interior collects royalties, rent and bonuses from companies that drill wells on federal lands.

The fees usually are a percentage of the resource being produced, paid in cash or in kind. The agency later splits the money equally with Colorado.

Pete Morton, an economist with the Wilderness Society, criticized the state for not including the hidden costs of drilling, especially on the environment, in its revenue forecasts.

"The state should stop reporting estimates of gross revenue and instead estimate net revenues from drilling, which are more relevant to taxpayers of Colorado," Morton said.

"Net revenues must account for the hidden costs from drilling, such as the increase in road maintenance and law enforcement costs to communities, the costs from increased air and water pollution, the decline in quality of life for homeowners with drilling rigs in their backyards, and the potential loss of hunting, fishing and recreation revenues."

In recent years, Colorado has seen an unprecedented boom in oil and gas drilling - mostly on the Western Slope.

The Colorado Oil and Gas Conservation Commission said as of Sept. 7, it has approved 3,725 drilling permits.



At that pace, the commission estimates it will approve about 5,438 permits this year. That's a 24 percent jump over the record high of 4,363 permits in 2005.

The commission also estimates that Colorado will produce a record 3.37 billion cubic feet of natural gas per day by the end of this year - 6 percent higher than a year ago.

The state has more than 30,000 producing wells.

The value of oil, natural gas and carbon dioxide production in 2005 totaled \$9.5 billion, accounting for 80 percent of the total value of minerals produced in Colorado, according to the Colorado Geological Survey. That was nearly 40 percent higher than 2004's \$6.8 billion.

Much of that came from deep wells in Weld and Garfield counties and the coal-bed methane wells of southwest Colorado.

The forecast for 2006 is higher than in 2005, although the rate of increase might not be as high. However, prices of natural gas and oil have softened of late, partly because of forecasts of a normal winter.

Xcel Energy estimates heating bills will be 13 percent to 14 percent lower in the peak winter month of December compared with a year earlier because of falling natural gas prices.

Gas drilling increasing in rural areas of West Slope

October 3, 2006

By Bobby Magill

The Daily Sentinel - Grand Junction

Thousands of new natural-gas wells are expected to be drilled in the Piceance Basin next year, while energy companies could begin to turn their sights to one of the Western Slope's least explored energy reserves.

The Paradox Basin of western Montrose County could be next in line for expanded oil and gas development, said Brian Macke, director of the Colorado Oil and Gas Conservation Commission.

"The Paradox Basin is probably one of the most under-explored and under-developed parts of the state for oil and gas," Macke said Monday.

There will likely be an "elevated level of interest" among energy companies in developing there, he said.

Most of the Western Slope's energy development over the next year will be in the Piceance Basin, where thousands of gas wells now exist.

As long as gas prices remain high – currently about \$5 per million British thermal units – the commission expects at least 2,000 new natural gas wells to be drilled in northwestern Colorado annually.

Macke said he can't predict how many wells will be drilled in the next decade, however.

This year, natural gas drilling in Mesa County is expected to surpass that of 2005, Macke said. The commission has issued 205 natural gas permits to drill so far in 2006, with 275 expected. Last year, 136 permits were issued.



In Garfield County, the focal point of energy development on the Western Slope, the commission has issued 1,355 permits to drill so far this year, with 1,600 expected. Last year, 1,509 permits were issued.

Drilling in Rio Blanco County is expected to double this year over 2005, Macke said. About 400 permits to drill are expected to be issued this year for the county, where only 161 permits were issued in 2005.

So far, 280 permits have been written for Rio Blanco County.

Over the last two years, energy companies have shown little interest in developing areas of the Western Slope south of Mesa County.

The commission issued no permits to drill in Montrose County in 2005 and only one so far this year. Forty-seven permits to drill were issued for San Miguel County in 2005, and 29 so far in 2006.

But more than 24,500 acres in both counties are up for lease in the Bureau of Land Management's Nov. 9 oil and gas lease sale.

Most of the parcels on the auction block in Montrose County, totaling more than 12,400 acres, are along Colorado Highway 141 north of Naturita.

The San Miguel County parcels in the lease sale, totaling 12,227 acres, are along Highway 141 north of Egnar.

Potential oil, gas exploration seen as both boon and bust

October 9, 2006

By Bobby Magill

The Daily Sentinel - Grand Junction

BEDROCK — Silence was pervasive in the Paradox Valley on Thursday afternoon, when the only sound of action at the Bedrock Store was the muffled noise of falling rain.

From behind the counter of the old trading post, employee Jennifer Leonard pointed shoppers in need of a rest-room break toward the well-used outhouse across the driveway.

No flush toilets, no restaurants and no cell phone reception here — just a pay phone outside under the neon Natural American Spirit cigarette sign.

An hour later, a small convoy of Schlumberger oil and gas field trucks lumbered up Highway 90 toward Utah.

“This is a quiet valley,” Leonard said, flanked by decades-old Conoco road maps and a Dy-O-La Dyes cabinet. “That’s why I live here.”

Originally from Illinois, she said she appreciates the bucolic Paradox Valley, where the Dolores River paradoxically cuts a perpendicular course across the canyon.

“Coming out here, I don’t take (the valley) for granted,” she said. “It’s a wonderful, spectacular, special place.”

But those Schlumberger trucks may portend change in this valley of about 300 people. High-dollar real estate developers may not have discovered the Paradox Valley yet, but the energy companies have.



That's OK by Ruth Swain.

Oil and gas rigs in the Paradox Valley could make good neighbors, said Swain, the Bedrock postmaster.

"I say bring 'em on," she said. "I'd love to see the U.S. produce its own gas and oil."

It's not clear how much oil and gas production could occur in the Paradox Valley.

But some energy companies struck nicely producing natural gas deposits just to the south in San Miguel County, and recently there has been a lot of exploratory leasing in and around the Paradox Valley, Bureau of Land Management petroleum engineer John Pecor said.

"Someone's interested to see if they can extend that success," he said. "Whether or not they can remains to be seen, because they've had success."

The Colorado Oil and Gas Conservation Commission calls the Paradox Basin, the heart of which is in San Miguel County, one of the state's most undeveloped energy reserves.

Commission Director Brian Macke predicts energy companies' interest in the basin will elevate in the coming years.

A map of active and pending oil and gas leases in Montrose County shows large swaths of land in the eastern Paradox Valley north of Highway 90 that already have been leased or could soon be.

The BLM is scheduled to auction off a dozen or so oil and gas leases on the east end of the valley Nov. 9 in Denver. Other leases up for auction are on parcels above the valley and along the Dolores River north of Naturita.

Standing on the muddy dirt road next to her sorghum field, Doris Van Ness pointed to a bald spot in a neighbor's field where she said an energy company drilled an exploratory well a few years ago.

"There was a rig right there," she said. "You can't even tell where it was."

She said some gas escaped from the well at one point, but it didn't do any damage.

"It burned my eyes," she said. "But the oil company took care of it."

Nonetheless, she said the energy company is welcome to return.

"I'm not opposed to the oil rigs, I'm sorry," she said. "I've made a lot of people angry."

Drive into Paradox, about a mile off Highway 90, and you'll see red and white signs pointing to the Redd Ranch, nestled next to other farms and ranches beneath the La Sal Mountains and nearby redrock cliffs.

"I have a gas well on my property now," ranch owner Paul Redd said. "When it comes right down to it, you get pretty worried about the net effects of the impact of the land."

"If it happens that there is a lot of development, there will be some mixed blessings. We've always hoped that sometime we'd get something that would pay dividends. ... If it allowed us to pay off our land debt, then those oil well sites won't be quite as ugly."



Redd said he has heard folks talk of horror stories up in Utah's Uintah Basin, where oil and gas wells are tightly packed.

But the truth is, the Paradox Valley's geology is so complex it's anybody's guess where producing wells would be placed, said BLM Colorado Fluid Minerals Branch Chief Duane Spencer.

"Production is controlled by what the faulting did in that area," he said.

Regardless of how high the energy production potential is for the valley, it probably will never see the same level of activity now going on in the Piceance Basin north of Parachute, where the geology is much less complex, Spencer said.

Leonard said she's worried any kind of oil and gas development in the Paradox Valley will hurt the quality of life here and be noisy.

"We're against it," she said. "Our neighbors are against it."

But, she said, "There's not much I can do about it as one person."

Redd said he hopes energy development will bring a little prosperity to a valley where the only school has been hurt by the lack of it.

"We always keep thinking, 'Boy, if we just had some industry that would give us a dozen more jobs, it would make the school more viable,'" Redd said.

County commissioners back new air pollution regs for oil and gas

October 11, 2006

By Donna Gray

Post Independent Staff - Grand Junction

The Garfield County commissioners will voice their support Monday for new proposed air pollution regulations for statewide oil and gas operations. County environmental health manager Jim Rada will take prepared comments to a public hearing by the Air Pollution Control Division (APCD) of the Colorado Department of Public Health and Environment next month on the proposed regulations.

Rada said citizens have raised concerns about their health due to potential air pollution from oil and gas operations in the west end of the county.

If approved after the public hearing by the Air Quality Control Commission, a group appointed by the governor, the rules would take effect in January.

In 2004, the division adopted air pollution rules governing ozone emissions from oil and gas operations for the Denver metropolitan area and northeastern Colorado because those levels "were close to or exceeded EPA (Environmental Protection Agency) levels," said APCD Deputy Director Michael Silverstein.

Ozone is the primary constituent of smog, the air pollution visible in Denver and other urban areas.

Other sources for air pollution, such as vehicle and industrial emissions, are regulated by the state and the federal government.

"We are seeing fewer emissions. They're going down in all sectors," he said, except the oil and gas industry.



APCD focused the rules on oil and gas "because they hadn't been controlled before. The oil and gas sector pretty much was under the radar. We are revising the regulations this fall because the oil and gas sector grew faster than anticipated," he said.

The rules apply to condensate tanks, which hold liquid petroleum compounds, dehydrators, which remove water from natural gas, and large engines such as those that run compressor stations where gas is pressurized to flow through transmission pipelines.

This latest round of rulemaking was extended statewide because of the rising levels of ozone in other areas of oil and gas development such as Garfield County.

"We know that ozone is not in violation (of EPA rules) in the rest of the state, but they're close," Silverstein said. "We want to keep the clean areas clean."

Under the 2004 rules, oil and gas operators had to reduce emissions from condensate tanks, hydrators and compressor stations by 48 percent. If the new rules are adopted, Front Range operators would have to reduce emissions by 80 percent. If a piece of equipment is putting out more than 11 tons of volatile organic compounds (VOCs) per year, an emission control device would be required. For the rest of the state, emission controls would be required for equipment that puts out more than 20 tons a year, Silverstein said.

Rada told the commissioners Monday that some air monitoring samples collected in the county this year show elevated levels of BTEX chemicals - benzene, toluene, ethylbenzene, and xylenes - which are considered air pollutants and a health risk.

The county is also sampling ozone levels. "We're not seeing violations of the (ozone) standard" in the county, Silverstein said.

Rada said there are 207 permitted condensate tanks in the county, and of that group, 59 emit more than 20 tons of VOCs a year. The new regulations would cut those emissions by more than 50 percent.

While the county commissioners approved of the new regulations, Commissioner Larry McCown said if the rules are adopted "we have to make sure (the APCD) has enough manpower to enforce them. It will fall to local governments to enforce them. ... We all know how it works."

Antero honored by group

October 12, 2006

By Mike McKibbin

The Daily Sentinel - Grand Junction

RIFLE — Terry Dobkins is getting a little tired of hearing kind words, even though it's often the opposite when the subject is natural-gas development.

Dobkins is vice president of production for Antero Resources, a Texas-based gas operator that's exploring for gas in Garfield County.

Wednesday night, Dobkins and Antero were presented with the first-ever Gene Park Corporate Citizen Award by the Grand Valley Citizens' Alliance, a grass-roots group often critical of natural-gas development in the area.

"This award isn't what we did this for," Dobkins said.



Dobkins and other Antero officials worked with residents of Silt Mesa to craft a nonbinding plan to guide gas development from Rifle to New Castle.

“I believe companies have personalities, and it’s directed from the top down,” Dobkins said. “I’ve always been encouraged to continue with this. It’s a process we’re still committed to.”

“There’s been so much recognition of this, it’s just time to go on with our work,” Dobkins said after the brief ceremony.

The group also recognized Peggy Utesch, Christy Hamrick and Liz Lippitt with the Shirley Willis Outstanding Member Award for working with Antero on the plan.

“Looking back on the whole thing, I think to myself: What were we doing?” Hamrick said. “Now we’ve got other counties and even nationally (where) people want to know how we did it. I’m sure we’re better off with the plan than we would have been without it.”

Bob Elderkin, a retired Bureau of Land Management biologist, was presented the group’s Visionary Award for his work to develop wildlife management guidelines for areas with oil and gas development.

Park and Willis were two founding members of the citizens group. Park died in 2004, and Willis now lives in Dillon.

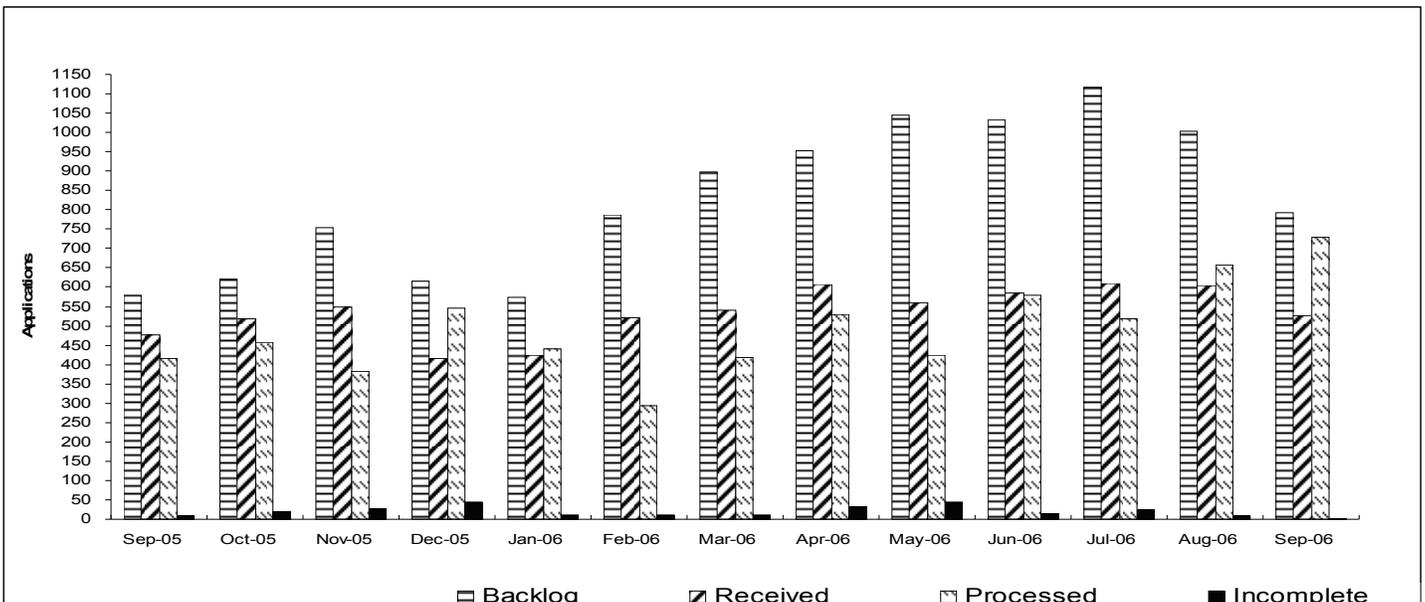
Elderkin’s guidelines have been endorsed and praised by sportsmen’s and conservation groups around Colorado



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

	Backlog	Received	Processed	Withdrawn	Rejected	Incomplete	In-Process	Remaining
Drilling								
Sep-05	518	461	391	26	0	8	554	562
Oct-05	562	497	437	18	0	19	585	604
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	579	626	58	0	7	962	969
Sep-06	969	499	698	9	0	4	757	761
Recompletion								
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	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
Total								
Sep-05	544	476	415	27	0	8	570	578
Oct-05	578	518	456	18	0	19	603	622
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	604	658	61	0	7	995	1002
Sep-06	1002	527	728	9	0	4	788	792

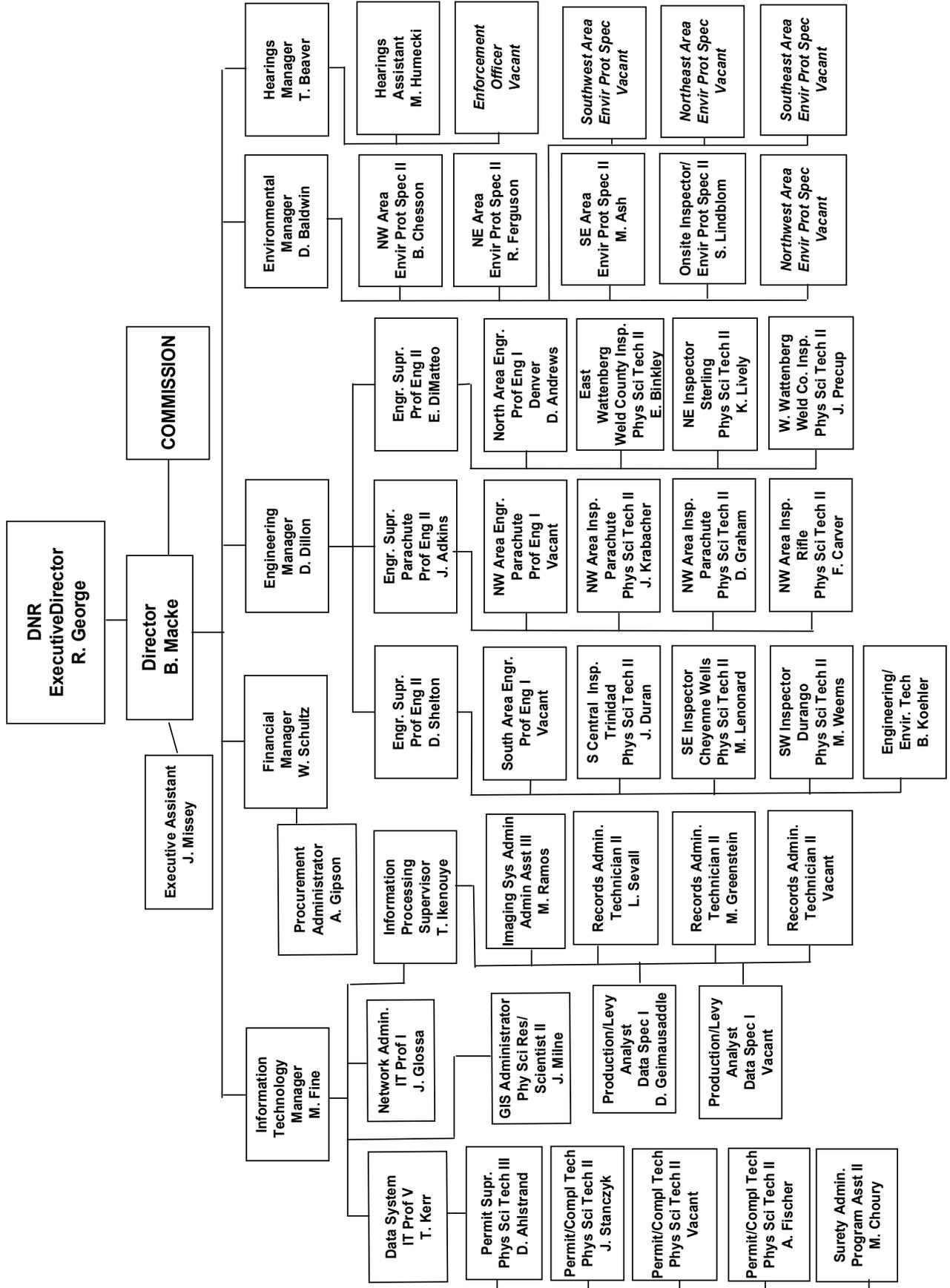
Incomplete are permits that have missing or inaccurate data and cannot be approved.



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



COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION





Colorado Oil Gas Conservation Commission Monthly Statistics

YEAR	MO	Baker - Hughes rig count	Drilling		Permits		Injection		Pits		Active Wells	Unedited Historic Records	Public Visits		Well Oper Change
			Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd			Apvd	Rcvd	
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	49639	2357
	FEB	70	249	343	29	14	1	1	17	10	27427	0	71	51277	378
	MAR	73	336	413	33	27	3	4	36	26	27595	0	34	60298	432
	APR	69	418	413	14	25	1	1	25	27	27723	0	56	52606	396
	MAY	65	340	321	13	8	0	2	25	32	27853	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	33	53182	361
	AUG	75	377	504	9	27	5	5	25	75	28364	0	50	56820	679
	SEP	78	389	460	24	16	3	1	101	60	28631	0	48	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	28866	0	40	62880	625
	DEC	83	530	390	15	26	3	0	33	47	28952	0	44	61024	772
2005	Total		4359	4905	208	245	22	27	465	471		669	540	686809	7684
	JAN	84	419	396	21	28	2	1	21	2	29181	0	69	73114	673
	FEB	84	267	501	27	20	0	8	4	5	29384	0	25	73025	454
	MAR	81	392	508	26	31	0	5	3	1	29751	0	35	105550	530
	APR	88	501	594	27	13	4	6	33	23	29907	0	152	87958	783
	MAY	89	398	534	26	27	0	4	19	22	30185	0	60	88763	619
	JUN	90	563	544	15	37	1	2	41	47	30324	0	64	88551	1236
	JUL	92	482	573	36	35	7	3	40	59	30397	0	71	84991	838
	AUG	93	626	578	32	25	2	1	27	32	30613	0	102	78284	285
	SEP	94	698	499	30	28	4	1	8	31	30732	0	48	79612	190
2006	Total		4346	4727	240	244	20	31	196	222		464	678	759848	5608

Apvd - Approved, Rcvd - Received, Ind - Individual, Blnk - Blanket, Apps - Application for Healing, NOAV - Notice of Alleged Violation, AOC - Administrative Order of Consent, OFV - Order Finding Violation, Orplf - Complaint, Comp - Completed



Colorado Oil Gas Conservation Commission Monthly Statistics

YEAR	MO	Operators		Release		Bonds		Claim		Hearings		Violations		Remediation		Field Insp		
		New	Inactive	Ind.	Blknt	Replace	Ind.	Blknt	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	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	7	3	18	0	1	11	20	0	45	623
	FEB	8	6	4	2	13	0	1	6	6	6	0	0	11	23	0	17	530
	MAR	8	10	8	3	12	0	0	3	5	6	0	0	21	21	2	3	725
	APR	10	5	7	4	13	0	0	7	4	16	0	1	26	22	2	20	427
	MAY	9	5	7	5	14	0	1	NA	NA	15	NA	NA	10	34	0	3	697
	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	22	28	0	0	538
	AUG	10	2	1	2	6	0	0	4	2	36	0	0	19	28	0	0	565
	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	34	0	0	35	23	4	0	499
	NOV	18	9	3	6	12	1	16	NA	NA	14	NA	NA	24	22	2	2	779
	DEC	12	3	5	2	17	1	4	10	6	38	2	2	13	35	4	0	749
2005	Total	145	72	60	48	149	2	23	60	45	255	5	4	228	326	18	90	7490
	JAN	15	5	17	5	13	0	0	11	10	5	2	1	21	31	0	0	1086
	FEB	16	2	6	4	14	0	0	9	6	10	2	0	18	37	4	1	947
	MAR	13	5	5	3	16	0	1	10	5	44	1	2	20	33	6	0	679
	APR	14	8	5	8	13	1	0	9	8	33	0	0	34	38	0	0	602
	MAY	12	5	6	4	10	0	0	NA	NA	16	NA	NA	29	23	0	0	996
	JUN	18	3	2	8	18	0	0	16	16	11	2	0	19	33	2	0	548
	JUL	10	9	2	7	8	0	0	14	11	12	1	2	31	29	0	0	364
	AUG	9	11	7	5	13	0	0	7	6	10	0	0	40	18	4	0	323
	SEP	10	4	3	5	11	0	0	9	6	30	2	0	47	8	2	0	192
2006	Total	117	52	53	49	116	1	1	85	68	171	10	5	259	250	18	1	5737

Apvd = Approved, Rcvd = Received, Ind = Individual, Blknt = Blanket, Apps = Application for Hearing, NOAV = Notice of Alleged Violation, AOC = Administrative Order of Consent, OFV = Order Finding Violation, Cmp 1 = Compliant, Comp = Completed



HEARING DOCKET: November 2006							PRELIMINARY 10/18/2006
Docket Number	Cause	Applicant/Attorney or Representative	Application Received	Field Formation County	Matter	Remarks	
0609-SP-42	191	Antero Resources Corp./ William A. Keefe	07/18/2006	Mamm Creek Williams Fork/Illes Garfield	Request for an order to vacate certain lands in the N $\frac{1}{2}$ of Section 18, Township 6 South, Range 92 West, 6th P.M. from the provisions of Order Nos. 191-25 and 510-16 and establish a 256.92 drilling and spacing unit for the N $\frac{1}{2}$ of Section 18, Township 6 South, Range 92 West, 6th P.M.	Continued from September and October	
0609-SP-43	399	Delta Petroleum Corp./ Michael J. Wozniak	07/31/2006	Vega Williams Fork Mesa	Request for an order to establish 20-acre drilling and spacing units 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 unit boundary.	Continued from September and October	
0610-SP-48	191	Antero Resources Piceance Corp./ William A. Keefe	09/01/2006	Mamm Creek Williams Fork/Illes Garfield	Request for an order to vacate the 320-acre drilling and spacing unit in the E $\frac{1}{2}$ of Section 15, Township 6 South, Range 92 West, 6th P.M. established in Order No. 191-21 and establish two (2) approximate 160-acre drilling and spacing units for said lands.	Continued from October	
0611-AW-31	440	EnCana Oil & Gas (USA) Inc./ Michael J. Wozniak	09/05/2006	Rulison Williams Fork/Illes Garfield	Request for an order to allow the equivalent of one well per 20 acres, with the permitted well to be located no closer than 200 feet for the Williams Fork Formation and 400 feet for the Illes Formation, from the lease line for the E $\frac{1}{2}$ of Section 16, Township 7 South, Range 95 West, 6th P.M.		
0611-UP-14	407	Kerr-McGee Oil & Gas Onshore LP/ Michael J. Wozniak	09/05/2006	Wattenberg Codell-Niobrara Weld	Request to pool all non-consenting interests in the 160-acre drilling and spacing unit consisting of the W $\frac{1}{2}$ NE $\frac{1}{4}$ and the E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 24, Township 5 North, Range 66 West, 6th P.M.		
0611-UP-15	407	Kerr-McGee Oil & Gas Onshore LP/ Michael J. Wozniak	09/05/2006	Wattenberg Codell-Niobrara Weld	Request to pool all non-consenting interests in the 80-acre drilling and spacing unit consisting of the W $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 24, Township 5 North, Range 66 West, 6th P.M.		



0611-JP-16	407	Kerr-McGee Oil & Gas Onshore LP/ Michael J. Wozniak	09/05/2006	Wattenberg Codell-Niobrara Weld	Request to pool all non-consenting interests in the 160-acre drilling and spacing unit consisting of the S $\frac{1}{2}$ NW $\frac{1}{4}$ and the N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 24, Township 5 North, Range 66 West, 6th P.M.
0611-JP-17	407	Kerr-McGee Oil & Gas Onshore LP/ Michael J. Wozniak	09/05/2006	Wattenberg Codell-Niobrara Weld	Request to pool all non-consenting interests in the 160-acre drilling and spacing unit consisting of the NE $\frac{1}{4}$ of Section 24, Township 5 North, Range 66 West, 6th P.M.
0611-AW-25	166	Laramie Energy LLC./ William G. Odell	09/06/2006	Plateau Mesaverde Mesa	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 lease line for certain lands in Township 10 South, Ranges 94 and 95 West, 6th P.M.
0611-AW-26	386	Laramie Energy LLC./ William G. Odell	09/06/2006	Hightower Mesaverde Mesa	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 lease line for Sections 20 and 21, Township 9 South, Range 92 West, 6th P.M.
0611-AW-27	429	Laramie Energy LLC./ William G. Odell	09/06/2006	Brush Creek Mesaverde Mesa	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 lease line for certain lands in Township 9 South, Ranges 93 and 94 West, 6th P.M.
0611-AW-28	529	Laramie Energy LLC./ William G. Odell	09/06/2006	Hell's Gulch Mesaverde Mesa	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 lease line for certain lands in Townships 8 and 9 South, Range 92 West, 6th P.M.
0611-AW-29	510	Laramie Energy LLC./ William G. Odell	09/06/2006	Logan Trail Mesaverde 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 lease line for certain lands in Township 7 South, Range 97 West, 6th P.M.



0611-EX-08	7	Citation Oil & Gas Corp./ Randall M. Case	09/08/2006	Padroni West Dakota O-Sand Logan	Request for an order allowing an exception location to Order No. 7-3, for the surface location of the DuBois 7H Well located in the SW¼ SE¼ of Section 6, Township 9 North, Range 52 West, 6th P.M. and a bottom hole location in the NE¼ NE¼ of Section 7, Township 9 North, Range 52 West, 6th P.M. to be located no closer than 200 feet from the south boundary of the NE¼ NE¼ of Section 7 and no closer than 400 feet to any existing well producing from the Dakota O-Sand Formation and to pool all non-consenting interests for the drilling and completion of the DuBois 7H Well.
0611-SP-49	139 & 440	Williams Production RMT Co./ William A. Keefe	09/27/2006	Parachute/Rulison Williams Fork Garfield	Request for an order to vacate the E½ NE¼, SE¼ NW¼ and SW¼ NE¼ from the 320-acre drilling and spacing unit in the N½ of Section 25, Township 6 South, Range 95 West, 6th P.M. established in Order No. 440-12, and establish two (2) 80-acre drilling and spacing units for these lands.
0611-UP-18	112	Williams Production RMT Co./ William A. Keefe	10/05/2006	Ignacio-Blanco Mesaverde La Plata	Request to pool all non-consenting interests in the 320-acre drilling and spacing unit consisting of the W½ of Section 31, Township 33 North, Range 9 West, N.M.P.M.
0611-AW-32	112	Petrogulf Co./ Michael J. Wozniak	10/10/2006	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 unit consisting of the S½ of Section 31, Township 33 North, Range 9 West, N.M.P.M., with the permitted well to be located no closer than 660 feet from the unit boundary.
0611-AW-33	112	ConocoPhillips Co., Burlington Resources Co. and Red Willow Production Co./ Michael J. Wozniak	10/10/2006	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 unit for certain lands in Townships 32 through 34 North, Ranges 7 through 11 West, N.M.P.M., with the permitted well to be located no closer than 660 feet from the unit boundary.
0611-OV-14	1V	Staff Recommendation	09/28/2006	La Plata	AOC-Failure by Maralex Resources, Inc. to comply with Rules 324.A.a., 324.A.b., and 902.a. for adverse environmental impacts from discharge of exploration and production waste from the reserve pit associated with the Keegan Patrick 33-7-11 #2A Well located in the NW¼ SW¼ of Section 11, Township 33 North, Range 7 West, N.M. P.M.



0611-OV-15	1V	Staff Recommendation	10/17/2006	Washington	AOC-Failure by Delta Petroleum Corp. to comply with Rules 903.a.(1), failure to submit a Pit Report/Permit Form 15, 904.a.(1), failure to line the drilling pits, 910.a., exceeding Allowable Inorganics in soils and 1003.b.(2),, failure to properly close drilling pits on non-croplands for the Daisy #4 1PR-29349 Well.
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