



DEPARTMENT OF NATURAL RESOURCES
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DATE: September 26, 2005

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MONTHLY STAFF REPORT

I. STATISTICS

- ◆ Our monthly statistics report is attached. Based on data available to date, 2,845 Applications for Permits-to-Drill (“APDs”) were approved as of September 16, 2005. At that pace, it is estimated that over 4000 APDs will be approved in calendar year 2005. This compares to the record high 2,917 APDs approved in 2004 and 2,249 APDs approved in 2003.

The 2005 drilling permit totals for the top six counties as of September 16th are:

County	2005 (% of Total)	2004	2003
Garfield	916 (32%)	796	566
Weld	638 (22%)	832	757
Yuma	468 (16%)	237	138
Las Animas	277 (10%)	332	180
Mesa	107 (4%)	54	27
Rio Blanco	98 (3%)	154	179
La Plata	75 (3%)	102	162

II. NORTHWEST COLORADO

Attached are newspaper articles of local interest.

- ◆ The last meeting of the Northwest Colorado Oil and Gas Forum was held on September 8, 2005 at the Garfield County Fairgrounds. The meeting was well attended by approximately 80 people including citizens, industry representatives and state, federal and local government representatives. Agenda items discussed at the meeting included:

- An update on Northwest Colorado activity by COGCC staff.
- An update by area operators on their current activity and near-term plans.
- An update from the Bureau of Land Management Glenwood Springs Resource Area staff on the status of the Roan Plateau Resource Management Plan and Environmental Impact Statement, and local well permitting activity.
- An update on the Garfield County Air Quality Study, Hydrogeologic Study, Socio-Economic Impact Study, and Energy Advisory Board activity.
- A presentation by Mesa County Commissioner Craig Meis regarding northwest Colorado local government concern about recent Severance Tax distributions.
- A presentation by Antero Resources staff about the new reduced surface impact Italian-built drilling rig that is being used in the area north of the Colorado River between Rifle and Silt.
- A presentation by Larry Kent, manager of the Halliburton office in Grand Junction, about hydraulic fracturing.
- A public comment period and question and answer period.

We would like to thank the Associated Governments of Northwest Colorado for providing lunch for the meeting participants.

The next meeting of the Northwest Colorado Oil and Gas Forum will be held from **10:00 a.m. until 2:00 p.m. on Wednesday, December 7, 2005, at a location to be determined.** The Forum, which is co-chaired by COGCC Director Brian Macke and Garfield County Commissioner Larry McCown, consists of representatives from federal, state, and local government, the oil and gas industry, and all interested citizens. The meetings are currently being held four times during the year. The meeting frequency may be adjusted if changing circumstances create a need to do so.

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

◆ Mamm Creek Gas Field - West Divide Creek Gas Seep Investigation Update

In early September, EnCana delivered a status report to the COGCC staff on the monitoring and remediation of the West Divide Creek Seep, [*Monitoring and Remediation Status Report for West Divide Creek Seep Area, Garfield County, Colorado*] (Cordilleran Compliance Services, Inc., August 2005)]. A review of this report by COGCC staff is currently underway and findings indicate continued improvement in both water quality and aerial extent, and decreasing concentrations of thermogenic methane in the shallow ground water aquifer in the seep area. This improvement is attributable to the remediation actions taken to address the upset conditions at the Schwartz 2-15B Well (responsible for the seep), and enhanced ground water remediation (air sparging) along the impacted part of West Divide Creek.

EnCana continues to sample 28 domestic water wells, 2 irrigation wells, 4 ponds, 3 springs, 3 creeks, and 27 ground water monitoring wells (along West Divide Creek) as part of this investigation. With the exception of the ground water monitoring wells along the creek, none of the sampled features have had detections of benzene, ethylbenzene, or xylenes. EnCana continues to supply water to area residences. As reported in last month's staff report update,

the Schwartz Monitoring Well continues to have no detection of either benzene or toluene. Investigation of the earlier benzene occurrence in the Schwartz Monitoring Well is continuing.

◆ Presco Drilling in Garfield County

On August 29, 2005, COGCC staff inspected two Presco drilling locations in the vicinity of the Rulison Test Site in Garfield County, Battlement Mesa 26-42 and 36-13. COGCC reviewed and provided comment on monitoring, testing, and data-recording procedures for drill cuttings and onsite personnel, in addition to interviewing site personnel responsible for implementing these procedures.

◆ Local Project Status Update

URS Corporation (URS) has begun work on the Hydrogeological Characterization Project in Garfield County south of Silt. During August 2005, URS conducted several activities for Phase I of the investigation. A random telephone survey of local residents was conducted to assess citizen awareness of the project and listen to their related concerns. The initial public kickoff meeting was held in Rifle on Wednesday, August 24, 2005, and was attended by concerned citizens and Garfield County and COGCC staff. Data collection and compilation for the Wasatch Formation is ongoing, and includes review of existing maps and geologic literature, examination of a core of the upper 1,200 feet of Wasatch Formation provided by EnCana, identification of primary lithofacies, and field reconnaissance to identify suitable Wasatch Formation outcrop locations for the measured sections. Other work involves ongoing compilation of gas well, water well, and water quality data from several sources.

COGCC staff has provided URS with information in a database format for all of the oil and gas wells located in the study area. In addition, COGCC staff has provided URS with all of the information contained in our water quality database for approximately 464 water resources within the study area. This includes additional water quality information that EnCana and Bill Barrett Corporation recently provided to the COGCC on approximately 110 water wells that they have sampled on a voluntary basis.

III. SOUTHWEST COLORADO

◆ Gas and Oil Regulatory Team (GORT) Meeting

The GORT meeting was held on September 16, 2005. Approximately 20 people attended including representatives of industry, the Bureau of Land Management (BLM), the U.S. Forest Service (USFS), the Southern Ute Indian Tribe, San Juan Citizens Alliance, La Plata County Energy Council (LPCEC), other interested stakeholders, COGCC staff, and Commissioner Kim Gerhardt. COGCC staff presented an overview of oil and gas activity in the state; the results of our investigation showing that methane gas is not seeping from the ground in the vicinity of the McWilliams property where a home recently burned; a summary report of our recent success in finding the Bryce 1X Well which is located in close proximity to the Nick Spatter Bryce 1 boreholes (discussed in more detail below); and the San Juan Basin coalbed methane water depletion study which is being co-funded and managed by the Division of Water Resources, the Colorado Geological Survey, and the COGCC (discussed in more detail below). BP discussed the MOU that it has entered into with La Plata County which will apply to lands presently within the unincorporated portions of the BP increased well density

application area with the exception of the lands under the jurisdiction of federal or state law, or the Southern Ute Indian Tribe. Commissioner Gerhardt excused herself from the meeting before this discussion occurred.

In addition, Christi Zeller (Executive Director of LPCEC) reported on various activities and initiatives being pursued by industry members. The 10th Annual LPCEC Golf Tournament was held earlier in September. Approximately \$23,500 was raised to go toward scholarships and community grants. Ms. Zeller is currently working with the Durango Association of Realtors and COGCC staff to plan a training session that would familiarize realtors with the COGCC website, and to enable them to use this valuable tool as part of their disclosure research efforts. This training is tentatively planned for sometime in February 2006.

Weeds on oil and gas rights-of-way and on well pads and lease road maintenance continue to be sources of conflict between operators and landowners. LPCEC and its members are working on several pilot projects to rectify this situation. LPCEC has identified a "weed control" contact name and telephone number for all operators (both members and non-members) in La Plata County. Operators have been contacted and are being encouraged to participate in coordinated efforts for weed spraying and are being educated about La Plata County's Weed Maintenance Plan, which includes an excellent GIS mapping system. This system can also be used to identify land owners who may have noxious weed problems adjacent to the oil and gas activities, with the hope that operators and landowners can work together to systematically eliminate weeds.

LPCEC also is coordinating a road maintenance effort with ConocoPhillips, BP, and Red Willow Production who have facilities in approximately 31 sections of land that have subdivisions. These operators have identified "Road Supervisors" who will act as the points of contact should road maintenance issues arise. Signs with contact information for the company that has accepted responsibility for maintaining each road segment have been purchased by LPCEC and will be placed on these roads.

The next GORT meeting is scheduled for March 9, 2006 at 8:30 a.m. and will be held at the La Plata County Fairgrounds.

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

On August 17 and 18, 2005, COGCC staff and contractors excavated the geophysical anomalies previously identified in the vicinity of the trailer explosion and the Nick Spatter Bryce 1 boreholes, and a previously buried well was uncovered. From information provided by the Southern Ute Indian Tribe, this well appears to be the Bryce 1X Well drilled from May 1938 through May 1942. COGCC staff is currently discussing possible remediation strategies for this well.

IV. SOUTHEAST COLORADO

- ◆ On September 14, 2005, the southeast Colorado COGCC Environmental Protection Specialist (EPS) met with Las Animas County (LAC) officials to discuss dust control on county roads. LAC officials in attendance included the County Administrator, the Director of the Health Department, the Supervisor of the Road and Bridge Department, the Supervisor of the Planning Section, and the Oil and Gas Inspector. Bill Cordova, the County Administrator,

stated that the county wanted to work in a mutually cooperative manner with gas operators to control dust on county roads. Mr. Cordova also made it clear the county has the responsibility to decide which roads received water, not individual land owners, and that the Road and Bridge Department was the agency responsible for dust control.

A follow-up meeting was held on September 15, 2005 with the LAC officials and representatives of Pioneer Natural Resources USA, Inc (Pioneer). Representatives for Pioneer included the Raton Basin Operations Manager, the Raton Basin Construction Manager, the Environmental and Regulatory Affairs Manager, an environmental technician, and a third party environmental consultant that works with Pioneer on water quality and pit issues. Additional LAC officials included the County Sheriff and the County Attorney. During the meeting, the Road and Bridge Supervisor provided Pioneer with a guideline for watering roads and made it clear that they appreciate and need gas operators' assistance in managing dust. Mr. Cordova restated that the county will decide which roads will get watered not individual landowners. The meeting appeared to be beneficial to all sides and was suggested that the group meet on a quarterly basis to discuss issues and maintain an open line of communication. The next meeting has been scheduled for December 14, 2005.

- ◆ During the week of September 12-16, the COGCC EPS met with a landowner group to discuss upcoming development in the Apishipa Ranch Subdivision, and other landowners in Wet Canyon to discuss water quality and dust control.

V. ORGANIZATION

- ◆ Staff Organization

Our current organizational chart is attached.

David Shelton, who has been with the COGCC for over 17 years, was promoted to Engineering Supervisor on August 12, 2005. He has worked throughout the state as a field inspector and an office engineer, and recently has become active as a Hearing Officer. Prior to coming to the COGCC, Dave gained extensive experience working in the private sector oil and gas industry.

The funding request for two additional field inspectors effective July 1, 2005, was recently approved by the Legislature. These positions were advertised in local newspapers in the Greeley and Rifle areas. We received eleven applications in the Greeley area and nine applications in the Rifle area for the positions. Testing of these applicants was held on August 29 and September 5, 2005. The top three applicants for both positions have been referred to us by Human Resources, and interviews are planned to be scheduled for the week of October 3, 2005.

VI. PLANNING/ADMINISTRATION/OTHER

- ◆ Public Outreach Opportunities

Tricia Beaver provided a presentation on oil and gas issues in Colorado to the Northern Colorado Energy Summit held in Greeley on September 22, 2005.

Brian Macke and Debbie Baldwin will join staff from the Division of Water Resources and the Water Quality Control Division to provide a presentation on produced water associated with oil and gas operations to the Legislative Interim Water Committee on September 28, 2005.

Brian Macke will provide a presentation on oil and gas development in Colorado and COGCC regulation to the Rocky Mountain Energy Alliance in Fort Lupton on September 28, 2005.

◆ COGCC Exhibit at the State Fair

The COGCC exhibit at the 2005 State Fair was a huge success. Along with the scale models of a drilling rig and rod pumping unit, there were actual progressive cavity pump and rod pumping units included in the exhibit. A map of oil and gas wells in Colorado, statistical information, and examples of everyday products made from oil and gas were also included in the exhibit. This year, a large-scale banner depicting the Florence Oil Field, circa 1890, was a new feature. All of these items, along with handing out root beer barrel candy, made our exhibit a very popular one.

David Dillon, Ed DiMatteo, and Debbie Baldwin did an excellent job of setting up and tearing down the COGCC State Fair exhibit, and deserve recognition for their work. Thanks also go to COGCC staff who gave up part of their weekends to represent the COGCC at the exhibit. They are: Dave Shelton, Diana Fairlamb, Tricia Beaver, Carol Rensel, Kevin Lively, Jay Krabacher, Margaret Ash, Jim Milne, Bob Chesson, Elaine Winick, Marsha Greenstein, Jeff Glossa, John Duran, Wendy Schultz, Larry Robbins, and Linda Pavelka. Additional thanks go to Assistant Attorney General Carol Harmon who volunteered along with our staff. A great deal of organization took place behind the scenes to make the COGCC exhibit a success, and special thanks go to Jan Missey and Ed DiMatteo who worked months ahead of time to get everything ready. Our appreciation also goes to those companies and organizations that provided the models and oil field equipment for the exhibit.

◆ 2005 Outstanding Oil and Gas Operations Awards

We would like to encourage all parties to begin to submit nominations for the ten-year anniversary COGCC 2005 Outstanding Operations Awards, which will be presented in the summer of 2006. These nominations should be for oil and gas operations that occurred during calendar year 2005. The nomination form for the awards is available on the COGCC web site http://oil-gas.state.co.us/Library/OperationsAwardsForm_2005.pdf.

◆ Stormwater Regulations for Oil and Gas Construction Activities

On August 24, 2005, COGCC staff met with Colorado Department of Public Health and Environment-Water Quality Control Division (CDPHE-WQCD) staff to discuss an initial potential proposal to modify WQCD regulations concerning stormwater construction activities at oil and gas sites that disturb one to less than five acres of land. COGCC staff provided information about COGCC rules to assist WQCD in its development of a *Proposal* and the *Statement of Basis, Specific Statutory Authority, And Purpose* that will be presented at the January 2006 WQCC Rule Making Hearing. Construction activities at oil and gas facilities that disturb one to less than five acres of land will still be required to obtain a WQCD stormwater permit. However, the rule making will revise current regulations so that the permittee will have to meet the substantive requirements established by the COGCC for reclamation and pollution

control (for such activities), not the stormwater management requirements imposed by the WQCD for regulated stormwater discharges from other types of construction activity.

Several actions will be required by COGCC if the regulation is revised. The COGCC Field Inspection Form will need to be modified to improve implementation of COGCC rules and to provide a record of inspections related to COGCC rules regarding erosion prevention and revegetation. Additional rule making may also be required to revise Rule 303. for the Application for Permit-to-Drill, Form 2, to include a calculation of the number of acres that will be disturbed, the distance from the edge of facility to the nearest surface water feature, and to modify the definition of standing water bodies and natural channels to include a broader definition of surface water.

◆ Onsite Inspection Policy

Under the newly adopted Policy For Onsite Inspections On Lands Where The Surface Owner Did Not Execute a Lease Or 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 twenty-two (22) requests for onsite inspections. Eight (8) requests were withdrawn, two (2) onsite inspections have been conducted, and two (2) are scheduled for the week of September 19, 2005. Ten (10) 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.

◆ Penalties Status

Attached is a current table showing the status of penalties paid and penalties pending collection.

◆ October Hearing Docket

A preliminary docket for the October 2005 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

In an effort to meet requirements due to the new Onsite Inspection Policy and the digital log upload capability, the Application for Permit-to-Drill, Form 2, and the Designation of Agent, Form 1A, have been updated. The new versions of the forms are available as Adobe™ PDF file downloads 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.

It has been suggested that the Completed Interval Report, Form 5A, is lacking sufficient dates to capture the completion date and the date of first production. Any comments on other suggested changes should be sent to thom.kerr@state.co.us.

◆ Colorado Oil and Gas Information System (“COGIS”)

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

• Internet

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

○ General

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

○ Contacts

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

○ Library

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

○ Hearings

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

○ Rules

- This page contains links to the Commission statute, Rules and Regulations, and policies.

○ Orders

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

○ Forms

- These are Adobe Acrobat documents that can be downloaded, completed, printed and mailed. 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, with attachments, are viewable here.

○ Permits

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

- Database
 - This application enables users to query well, production, and operator information. These queried databases contain the most current set of data and are updated throughout the day.
- Local Gov
 - This application provides database searches for local government contact information and oil and gas activity within a selected area.
- Images
 - This application is an interface to the COGCC's historical paper files. All well files, logs, and hearing files have been scanned. This application is not user friendly and the preferred method is to use the database queries and click on the "docs" icon for wells and other facilities, or to use the Orders application.
- Maps
 - This interactive map application allows the user to zoom, pan, and select types of information to display. This application will also display the database information for wells by selection tools or double clicking on a single item. There are also tools to allow annotations and to save reusable map files.
 - A statewide water wells map layer was added to the Internet on August 5, 2005. Many thanks to the Division of Water Resources for allowing us to display it's data.
- Reports
 - This area is still in development; the application malfunctions. The goal is to have selectable data sets and statistical queries.
- Local Area Network
 - The COGCC staff is connected to services by a Local Area Network ("LAN") connection which provides e-mail and data sharing capabilities. The LAN is connected to the Centennial Building at 1313 Sherman Street by a wireless interface; this connection provides access to the Internet and other state services. COGCC staff utilizes the same applications in its work as Internet users, in addition to others outlined below.
- Database
 - The COGCC maintains a comprehensive database of regulated facilities (wells, pits, injection sites), incidents (inspections, complaints, spills), and affiliations (companies and contacts).
- Imaging
 - This application provides the capability to convert the paper documents received by the Commission to electronically available documents.
- Form Processor
 - This set of applications allows users to input, route, edit, and update regulatory reports submitted by oil and gas operators.
- Geographic Information Systems ("GIS")
 - These applications provide the capability to create custom maps, convert survey calls to geographic coordinates, and convert and utilize geographic positioning system ("GPS") data.
 - The GIS Administrator creates daily updates for the Internet map data downloads.
- COGIS Tools
 - This set of applications allows staff to correct data in the database in addition to performing specialized workflow administration.

- Remote Users
 - This is the final component of the COGIS system. The deployment of this system was delayed due to database synchronization problems; laptops have been deployed to COGCC field inspectors and environmental staff. While the application is still buggy, the feedback is that having information available in the field is a tremendous asset. This laptop system consists of Internet applications, and other report tools necessary for COGCC field staff to facilitate data collection and provide information.
- Electronic Business
 - There are approximately 200 operators reporting production electronically.

◆ COGIS Projects, Updates and Changes

▪ Hearing and Environmental File Indexing Project

Indexing of the hearing files is complete, with the hearing files boxed and moved to archives. Two people are currently working on indexing the environmental files, which was not completed by June 30, 2005 due to personnel retention and training issues. Reclamation project files are being scanned and indexed, starting with the largest reclamation projects, and 85% of these files have been completed.

One person is working on scanning and indexing the old plat maps, field inspections, bradenhead tests, and various other documents that had been unsorted when the files were first scanned. This is 90% complete and should be completed within the next two months. As the other groups of documents are completed, this person will assist with indexing of the environmental files.

▪ LAS File Upload

This project provides operators with a method to submit digital well logs to the COGCC over the Internet. This application is available from the “Forms” page on COGCC web site <http://www.oil-gas.state.co.us>. COGCC staff is working with operators and logging companies to gain compliance with the digital log submission requirement. The digital logs are beginning to show up on the web; the type of file precedes the log type in the document name. In addition to LAS files there are PDS and PDF files which provide an easy-to-view graphical representation of the logs; these graphical files do not eliminate the LAS file requirement.

▪ Delinquent Operations Report

This project will create an application to identify forms/reports that may be required and are missing from the COGCC database. The software is being used, but is still lacking the automated settings in the database to review data on a monthly basis and reevaluate when well data is modified. The data cleanup is underway but will take several months. 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.

▪ 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 GIS and database pieces. There is a need to establish a format for

electronic submission of directional survey data, and the logging companies are being surveyed so that a proposed format can be created for review by the logging companies. Once a format is established, an application will be created to submit 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.

- Spacing Orders Project

The spacing orders are being evaluated and posted on the maps, with over seventy-five percent (75%) 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 has been halted, with almost 35,000 historic well records updated. The project was stopped due to funding availability. There are just under 28,000 well records that have not been updated.

- US Standard XML Reporting Project

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

- Reports Online Project

This project has been delayed for a long time due to security configuration issues related to server access, most of which have now been resolved. Remaining issues with communications between applications used to deliver the reports are still being worked through.

VII. VARIANCES

- ◆ A variance pursuant to Rule 502.b. was granted to Antero Resources II Corporation to modify Order No. 523-1 to allow the recent Surface Use and Development Agreement (SUDA) executed between the mineral owner, surface owner, and Antero as the mineral lessee to replace the surface use provisions originally established in Order No. 523-1. All parties were in agreement to this request, as the SUDA is more comprehensive than the original surface use provisions adopted in Order No. 523-1.

Colorado Oil Gas Conservation Commission
Monthly Statistics

YEAR	MO	Baker - Hughes rig count	Permits												Unedited Historic Records	Public Visits		Well Oper Change									
			Drilling		Recompletion		Injection		Pits		Active Wells	Data	Office	Internet													
2002		2008		20051		Rcvd		174		177		30		25		252		229		718		874		175690		4555	
2003	JAN	31	177	183	8	11	2	2	2	3	15	23963	82	88	16623	506											
	FEB	32	158	163	21	18	1	0	1	3	24118	62	77	19140	191												
	MAR	30	167	180	5	4	1	2	15	9	24212	51	55	18922	177												
	APR	35	172	179	4	7	2	7	5	24	24363	63	123	21679	198												
	MAY	37	184	198	18	23	5	0	29	132	24445	52	99	22307	477												
	JUN	37	170	190	24	40	0	0	32	21	24489	59	65	20883	339												
	JUL	40	201	200	28	21	0	4	136	17	24589	50	48	22779	417												
	AUG	43	166	226	9	12	0	2	2	32	24655	53	43	17900	245												
	SEP	48	209	188	26	32	2	2	13	30	24808	41	31	22718	234												
	OCT	46	244	228	28	33	2	2	5	54	24901	41	38	29413	389												
	NOV	44	142	204	4	11	1	0	6	13	24911	22	38	27961	208												
	DEC	44	259	183	27	17	2	1	115	31	25042	34	50	21631	256												
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	2	8	7	27262	60	41	49839	2346												
	FEB	70	249	343	29	14	1	1	17	10	27427	44	71	51277	376												
	MAR	73	336	413	33	27	2	3	36	26	27595	59	34	60298	429												
	APR	69	418	413	14	25	1	1	24	27	27723	58	56	52606	395												
	MAY	65	340	321	13	8	0	2	25	32	27853	46	43	58881	300												
	JUN	69	340	360	13	9	2	2	58	61	28032	58	33	51404	393												
	JUL	69	312	363	19	23	2	3	37	29	28164	50	33	59310	322												
	AUG												50	68542	379												
2005	Total		2258	2509	128	142	8	14	205	192		375	361	452157	4940												

Apvd = Approved, Rcvd = Received, Ind = Individual, Blank = Blanket, Apps = Application for Hearing, NOAV = Notice of Alleged Violation, ACC = Administrative Order of Consent, OFV = Order Finding Violation, Cmpmt = 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	Ind.	Blknt	Ind.	Blknt	Apps.	Order	NOAV	AOC	OFV	Cmplt		Spills	Rcvd
2002	Total	63	97	62	58	98	2	1	63	52	280	5	21	176	206	80	58	6499
2003	JAN	8	6	8	3	5	0	0	3	4	30	1	0	5	20	6	1	522
	FEB	10	7	2	2	10	0	0	4	2	10	1	0	9	16	3	8	590
	MAR	6	8	5	4	13	0	0	7	3	8	1	0	13	17	4	1	655
	APR	6	4	9	1	7	0	0	7	5	24	0	1	22	17	6	1	645
	MAY	5	3	2	5	10	0	0	NA	NA	8	NA	NA	14	6	3	857	
	JUN	3	6	2	3	8	3	0	7	4	5	1	0	20	20	5	9	765
	JUL	5	6	3	2	15	0	0	1	0	17	0	0	17	23	3	1	529
	AUG	6	7	4	1	8	0	0	6	7	12	2	0	9	14	5	2	631
	SEP	8	12	10	0	10	0	0	3	2	16	0	0	13	21	4	1	702
	OCT	10	7	6	7	12	0	0	2	2	9	0	1	14	24	13	7	589
	NOV	5	3	2	3	12	0	0	NA	NA	9	NA	NA	8	18	21	8	514
	DEC	9	3	5	0	14	0	0	5	2	13	1	0	13	15	3	3	505
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	12	20	0	6	620
	FEB	8	6	4	2	13	0	1	6	6	6	0	0	11	23	2	17	529
	MAR	8	10	8	3	12	0	0	3	5	6	0	0	19	21	6	5	727
	APR	10	5	7	4	13	0	0	7	4	30	0	1	24	21	2	20	425
	MAY	9	5	7	5	14	0	1	NA	NA	15	NA	NA	10	34	0	3	692
	JUN	15	11	2	5	14	0	0	7	7	19	3	0	12	39	10	0	637
	JUL	14	9	7	5	14	0	0	6	4	37	0	0	21	27	0	0	437
	AUG	10	2	1	2	6	0	0	4	2	30	0	0	11	26	6	0	432
2005	Total	84	51	39	33	96	0	3	40	31	161	3	2	120	211	26	51	4499

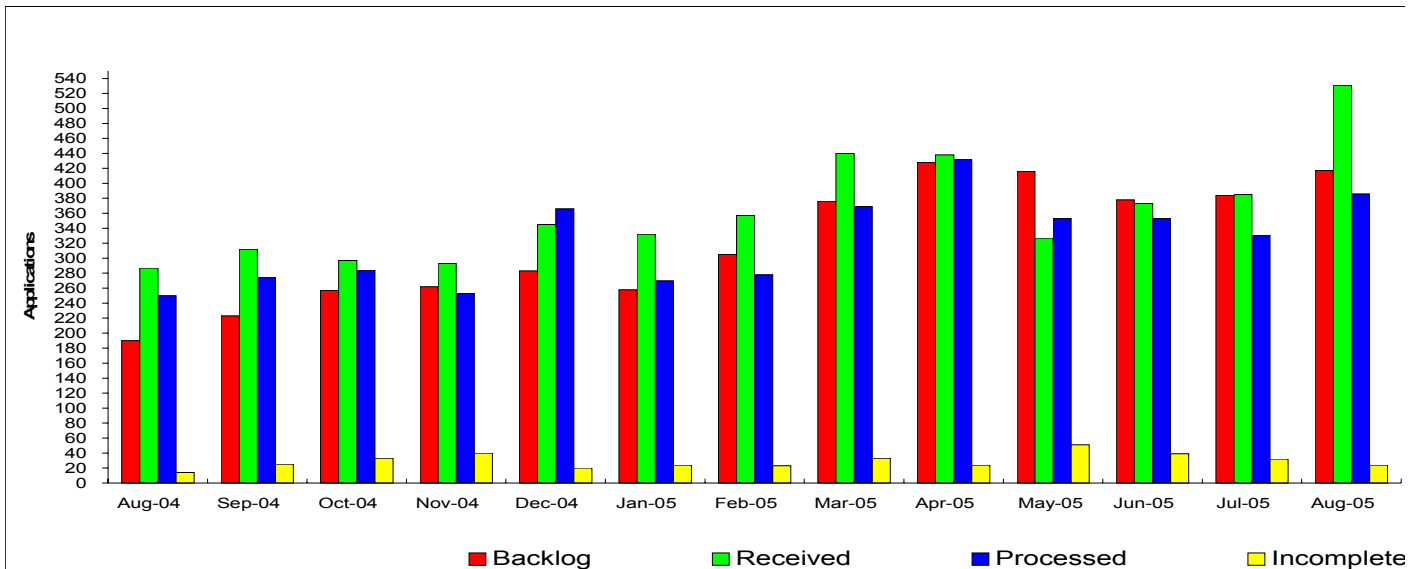
Aprvd = Approved, Rcvd = Received, Ind = Individual, Blknt = Blanket, Apps = Application for Hearing, NOAV = Notice of Alleged Violation, AOC = Administrative Order of Consent, OFV = Order Finding Violation, Cmplt = Complaint, Comp = Completed

Colorado Oil & Gas Conservation Commission

Monthly Breakout of Drilling and Recompletion Permits

	Backlog	Received	Processed	Withdrawn	Rejected	Incomplete	In-Process	Rem
Drilling								
Jul-04	163	236	208	8	0	12	171	
Aug-04	183	268	236	3	0	13	199	
Oct-04	245	281	268	8	0	32	218	
Nov-04	250	284	242	18	0	39	235	
Dec-04	274	334	348	4	0	20	236	
Jan-05	256	296	263	13	0	24	252	
Feb-05	276	343	249	8	0	23	339	
Mar-05	362	413	336	18	0	33	388	
Apr-05	421	413	418	17	0	24	375	
May-05	399	319	340	12	0	42	324	
Jun-05	366	364	340	14	0	38	338	
Jul-05	376	362	312	20	0	31	375	
Aug-05	406	504	377	12	0	24	495	
Recompletion								
Aug-04	7	19	14	1	0	1	10	
Sep-04	11	17	16	0	0	0	12	
Oct-04	12	16	16	0	0	1	11	
Nov-04	12	9	11	1	0	1	8	
Dec-04	9	11	18	0	0	0	2	
Jan-05	2	36	7	2	0	0	29	
Feb-05	29	14	29	0	0	0	14	
Mar-05	14	27	33	1	0	0	7	
Apr-05	7	25	14	1	0	0	17	
May-05	17	8	13	0	0	9	3	
Jun-05	12	9	13	0	0	1	7	
Jul-05	8	23	19	1	0	1	10	
Aug-05	11	27	9	0	0	0	29	
Total								
Aug-04	190	287	250	4	0	14	209	
Sep-04	223	312	274	4	0	25	232	
Oct-04	257	297	284	8	0	33	229	
Nov-04	262	293	253	19	0	40	243	
Dec-04	283	345	366	4	0	20	238	
Jan-05	258	332	270	15	0	24	281	
Feb-05	305	357	278	8	0	23	353	
Mar-05	376	440	369	19	0	33	395	
Apr-05	428	438	432	18	0	24	391	
May-05	416	327	353	12	0	51	327	
Jun-05	378	373	353	14	0	39	345	
Jul-05	384	385	331	21	0	32	385	
Aug-05	417	531	386	12	0	24	524	

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



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

Study planned for gas well effects on groundwater

Friday, August 26, 2005

By Mike McKibbin

The Daily Sentinel of Grand Junction

RIFLE — A unique study has begun to determine how natural-gas development may affect surface and groundwater sources in a 110-square mile area south of Rifle and Silt.

Garfield County hired URS Corp. of Denver, a hydrogeological consulting firm, to conduct the \$300,000 study, funded by a \$371,200 fine against gas operator EnCana Oil and Gas for the gas seep in West Divide Creek south of Silt. The money was to be used for public gas-related projects in the county. An energy forum last month and a health impact study to begin next month also were chosen.

URS Senior Hydrogeologist Mark Levorsen said its common to look at how water sources are affected by other industrial activities.

“The fact that gas and water wells are involved makes this pretty unique,” he said. “We do hydrogeology and water chemical analysis all the time, but not when it’s integrated with gas wells.”

Levorsen said the study would include data from previous studies, information from the Colorado Oil and Gas Conservation Commission and state engineers office, among other sources.

“A lot of that data you can see is pretty incomplete, so we need to fill in the gaps,” he said. “We’re trying to be very open-minded and look at all the scientific data.”

The first phase of the study will last through the end of the year. Study updates will be posted on the county Web site, and a final report and recommendation for the next phase will go to the county commissioners.

County Oil and Gas Liaison Doug Dennison said he hopes the study results can be applied to other gas fields in the Rulison and Parachute areas. They were not included because of funding limits, he said.

“The fine money was directed to this area out of the public concerns over the seep affecting water wells out there,” said Oil and Gas Conservation Commission Environmental Specialist Debbie Baldwin.

She said the commission has looked at how gas wells affect specific water wells when a complaint is made, but not over such a wide area.

“I don’t think we’re going to end up with something that’s just ‘eye candy,’” she said. “I think we’ll have a specific scientific study to help us and residents out there make sure everyone’s interests are protected.”

Mike McKibbin can be reached via e-mail at mmckibbin@gjds.com

Drilling permits eclipse record

Sunday, September 11, 2005

By Mike McKibbin

The Daily Sentinel of Grand Junction

RIFLE — Natural-gas drilling in Garfield County had already exceeded last year's record total by the end of August and could reach 1,200 permits by year's end, according to Colorado Oil and Gas Conservation Commission Director Brian Macke.

The county surpassed Weld County as the state's drilling leader and now has 40 percent of all of Colorado's gas wells, Macke said last week at the quarterly Northwest Colorado Oil and Gas Forum in Rifle.

Garfield County had 796 state permits issued in 2004, a record number. So far this year, 811 permits have been granted, nearly one-third of all permits issued and almost 200 more than second-place Weld County.

Ninety-nine permits have been issued to date in Mesa County, and it may reach 150 by year's end, Macke said. That would almost triple last year's 54 permits.

"It looks like the entire northwest region is on a steep incline in terms of permits, to more than 40 percent of all our permits," Macke said.

Garfield, Mesa, Rio Blanco, Moffat and Routt counties are included in the region.

Yuma County on the eastern plains has seen a similar sharp jump, with 435 permits compared to last year's 237 permits, Macke said.

A historic high of 85 drilling rigs were active in the state, with 46 of them operating in Garfield County, he said.

The state should also set a record of approximately 4,000 permits this year, Macke said, compared to 2,917 permits last year.

"With all this activity, I think we'll be at about 29,000 active gas wells in Colorado by the end of the year," Macke said. "Right now, Garfield County is second with 2,759 active wells."

Williams Production plans to drill 290 wells by the end of the year, while EnCana Oil and Gas will have drilled 251 wells by year's end, and other smaller operators planned a total of more than 250 wells, Macke said.

Mike McKibbin can be reached via e-mail at mmckibbin@gjds.com.

Local governments say no on drilling Roan Plateau

Tuesday, September 20, 2005

By Mike McKibbin

The Daily Sentinel of Grand Junction

RIFLE — Natural-gas development on top of the Roan Plateau was opposed by most of the local governments Monday in comments to the Bureau of Land Management on the uses of 73,602 acres of public lands from Rifle to Parachute.

But since drilling may occur anyway, the cities of Glenwood Springs and Rifle, Town of Parachute and Rio Blanco County supported a plan by the Colorado Department of Natural Resources that may lessen the impacts on the top.

Garfield County commissioners planned to meet this morning to finalize their comments, but Commissioner Larry McCown said they would also likely support the DNR plan that calls on the BLM to issue mineral leases to different producers as they normally do, but only allow one operator to be responsible for the roads, well pads and other aspects of production.

Glenwood Springs City Council was the most forceful against drilling on top.

“The (plateau) is a special area for those of us in Colorado and on the Western Slope,” the council wrote. “It should be protected for future generations.”

The council also noted the vast majority of the almost 75,000 comments on the draft management plan opposed development on top.

Rifle City Council’s comments said the top of the plateau should be reserved and managed for historical uses such as recreation, hunting, livestock grazing, ranching and others that are important to the local economy and culture.

“We feel no plan can make such uses compatible with gas exploration. Throughout the West it has been well documented how gas activities negatively impact those uses we wish to protect and preserve.”

Rifle and others also wanted a special recreation management area for Hubbard Mesa on the eastern edge of the plateau planning area. Mountain bikers and off-road vehicle users now use Hubbard Mesa.

Parachute trustees’ comments did not specifically oppose drilling on top, but said, “In a perfect world, all areas that offered the recreational opportunities, scenic areas and wildlife environments such as the Roan Plateau could be protected. The board believes it is better to assist the BLM in establishing a plan that will give the highest possible level of protection while allowing for drilling than to force them to submit a plan that would not be accepted.”

Parachute also supported the largest watershed management area for the East Fork of Parachute Creek drainage because of its importance to the town’s water supply.

Rio Blanco County Commissioners did not object to “limited, highly structured, performance-based leasing and development in suitable areas of the plateau along the lines of the (DNR) approach.”

Road access from Rio Blanco County was a concern, too, and the commissioners suggested the BLM impose a road usage fee with any leases to generate road maintenance money for affected governments.

BLM Glenwood Springs Field Office Associate Manager Steve Bennett said staff would review all comments through the rest of this year and release a final plan around March of next year. A 30-day protest period for anyone who commented to bring up issues will follow, and Gov. Bill Owens will have 60 days to review the plan.

A final record of decision may happen around July, Bennett said.

Mike McKibbin can be reached via e-mail at mmckibbin@gjds.com.

Lack of U.S. labor, drilling rigs has some firms looking to China for help; critics cry foul over potential loss of American jobs

By SALLY SPAULDING

The Daily Sentinel

Roughnecks are too busy trying to keep up with the nation's sudden demand for natural gas to worry about whether drills made in China and a few Chinese workers are being used in the drive to tap the power of the Piceance Basin.

"It's just a rig they've brought over from China, and a few people are upset about that," said Don Olmstead, a Western Slope native who works on the production side of the industry. "We're so busy with the boom right now that companies can't find enough rigs as it is. If it's just a rig they bring over and not a

work crew, then it's creating jobs for all of us here."

Olmstead is one of many workers who make their living in the booming oil fields of Garfield County, where more than 50 rigs are drilling overtime just to keep up with business.

A lack of U.S. labor and available drill rigs have led some companies in the region to look overseas for assistance, despite politicians crying foul over the potential loss of American jobs.

So far, only one company has imported a rig and three Chinese engineers to drill near Parachute.

The acquisition marked the first transaction between an American and Chinese company for drilling rigs built in China and destined for operation in the United States, but plans for more imported rigs, along with Chinese crews, are in the works.

The crews, not the rigs, are what worries oil and gas crews.

"We don't need to be passing off this kind of work to foreigners," said Newt Burkhalter, a 70-year-old independent producer and consulting engineer with over 40 years of experience in western Colorado. "Sure, we need more workers here in Colorado, but we need local people with training, not people from across the globe who know nothing about this area."

The Woodlands, Texas-based Presco Inc. contracted a rig from China that is drilling wells near Parachute. It started drilling the first week in August. The company declined a reporter and photographer access to the well site on private land.

There could be as many as four additional rigs imported from China for Presco's operations next year, said Kim Bennett, vice president of exploration and production for the company that leases 8,000 acres in Garfield County.

The rig near Parachute was purchased from its Chinese manufacturer by GTS Drilling Services, a Houston-based company which formed a drilling contract with Presco.

GTS employs three Chinese engineers from the rig's manufacturer in China, in addition to an all-American work crew.

The Chinese engineers live on the drill site near Parachute in trailers and are temporary to the operation, according to officials with Presco.

The new operation that Olmstead and other oil and gas workers say is "being kept under wraps" didn't bother a Wednesday afternoon crew of drinkers at The Lighthouse restaurant and bar in Rifle.

Oil and gas workers are an easy two-thirds of The Lighthouse's clientele, said owner Suleimam Abuhalmeh, who

added any type of oil and gas workers or equipment was good for his business.

"Anybody here work in the oilfields?" he yelled out over the noise of a sports news broadcast. Nearly all hands, except for the waitresses, showed high in the air.

The workers come for a beer or Abuhalmeh's Mediterranean fare after long days in the field, and nearly all said the arrival of the Chinese drill rig didn't bother them in the least. Welder Clayton Sullivan said he worked with Todd's Welding of Rifle on the Chinese rig for six weeks this summer.

He said the rig arrived in Colorado needing attention. "The Chinese manufacturer really skimped on the welding, so they brought us in to make sure all the welding was good," he said. "It's a beautiful new rig ... a Cadillac of drill rigs."

Sullivan said many of the rigs in use in Garfield County are 30 or 40 years old. "This is one of the safer ones," he said. "The people working on the rig from Houston are excellent. They really know what they're doing."

If the workers weren't American, Sullivan said, he would not have felt the same.

"If it was a full Chinese crew, I'd be totally against it," he said. "We need American workers out there, exploiting their own resources and making money in the process."

But most Rifle and Parachute residents and business owners don't seem to care where the crews are from.

Nita Criner, a manager at Outlaws Restaurant in Parachute, said rigs or workers from any country made her happy. "About 95 percent of my

clientele are gas workers, and I don't care where they're from," she said. "Any drilling rig keeps me in my job."

For others, it's a matter of national pride to decry foreign rigs. "I think it's strictly unpatriotic to bring in drill rigs," Burkhalter said. "We have plenty of drill rigs around here if you're willing to wait a couple of months and plan ahead."

Two more Chinese rigs are scheduled for arrival in western Colorado in late September or early October, said Bill Croyle of Western Energy Advisors, a Denver-based company that helps China National Petroleum sign drilling contracts with U.S. companies.

Golden Bear Drilling & Services will be the drilling contractor for the two rigs scheduled for arrival this fall. Golden Bear has declined to name the contracting companies.

In the next 18 months, Croyle said, 10 rigs and crews will likely be imported from China in league with Golden Bear.

That's job security for those working in other aspects of the industry outside of drilling, said Ben Munford, a coil operator with Cudd Pressure Control who was enjoying a meal at Outlaws Restaurant.

Munford, who is from Vernal, Utah, finished his 12th job this month in the area.

He paused from his onion rings and burger to think about the Chinese rig and the possibility of Chinese crews.

"I'm not a driller, so the more holes that are drilled by anyone, the more work I have to do,"

Munford said. "There's plenty of work out here for everyone, and as long as these crews are good people, I don't care where they're from."

The DAILY SENTINEL
AUGUST 21, 2005

TUESDAY, AUGUST 30, 2005

Public comment on Roan Plateau management plan, environment impacts were main topics of meetings

By **MIKE MCKIBBIN**
The Daily Sentinel

RIFLE — In about a month, local governments and a state agency will have finished their “homework” assignments from six meetings over the last two months with the Bureau of Land Management about the future management of the Roan Plateau.

Garfield and Rio Blanco counties, the cities of Rifle and Glenwood Springs, the town of Parachute and Colorado Department of Natural Resources on Monday were asked to respond to two pages of questions about

a wide range of issues such as wildlife and vegetation, visual resources, transportation and natural-gas development.

That last topic dominated all six meetings, just as it did the public comments on the draft management plan and environmental impact statement for the 73,602-acre area between Rifle and Parachute.

At an earlier meeting, the Department of Natural Resources presented a proposal to issue 2,500-acre block leases that would be designated as a 34,000-acre federal unit. Federal units are large blocks of public land where a single company develops its

underground minerals.

Leaseholders would share development costs and gas revenues. They would pick one operator that would have a physical presence on top of the plateau.

All surface management limits the BLM designates for the top, such as no surface occupancy, would apply.

Parachute Town Administrator Juanita Satterfield said that town’s trustees endorsed the proposal last week.

“They thought it answered a lot of their

questions,” she said. “They liked the unitization and would like to see a 320-acre limit on the total disturbed area” at any time, another provision in the plan.

A lengthy discussion took place over how each entity would proceed and if they should have another meeting after a Sept. 20 deadline for written comments from all six agencies.

“I would hope that after all these meetings, we’ll all have comments more along the same lines than they were” in earlier plan versions, said Garfield County Commissioner Tresi Houpt.

“I think it’s time to fish and cut bait on the items we’ve agreed on or we’ll never stop having meetings,” said fellow Commissioner Larry McCown.

“It sounds to me like we’re trying to craft this plan and that’s not our job,” said Rifle Mayor Keith Lambert. “That’s up to the BLM, and they may go in a totally different direction from what we tell them. I’m perfectly comfortable giving them our comments, maybe we can discuss them together, but at some point we need to hand it off.”

Glenwood Springs City Councilman Joe O’Donnell said if each local government expressed similar concerns “that

would carry more weight with the BLM” as it develops a final management plan by the end of the year.

BLM Glenwood Springs Field Office Manager Jamie Connell said her staff would build a “skeleton” of a possible final management alternative after it receives all local comments and present it in an open house format to any interested agency.

Rifle City Council will take up the Roan Plateau at a special meeting at 7 p.m. Wednesday. Others will hold similar public discussions in coming weeks.

■
Mike McKibbin can be reached via e-mail at mmckibbin@gjds.com.

Council: If drilling on the Roan must happen, latest plan is best

By Heidi Rice
Telegram Staff Writer

Even though Rifle City Council members are split on whether or not drilling should take place on top of the Roan Plateau, the majority of council members say that if it must happen, they favor the latest proposed management plan presented last month by the Department of Natural Resources.

The council was polled at a special meeting on Aug. 31 to determine where they stood individually on the management plan being formulated by the Bureau of Land Management. The vote was 5-2 against drilling on the top.

Mayor Keith Lambert and councilors Beth Bascom, Judy Bulteman, Sandy Vaccaro and Alan Lambert voted against it, while councilmen Jonathan Rice and Jeff Johnson voted in favor.

Rice said he was torn in his decision between his duty to his constituents as a councilman and his responsibility as an American citizen in a country in need of energy resources.

"What is our role as a city council and representatives of our constituents or representatives of a nation who has an energy need?" Rice said. "I have to lean toward my responsibility as an American citizen over my

"As a council, our majority position right now is that we don't want to see drilling on the top of the plateau. But if that is not the outcome of the BLM ... this is how we would like to see it take place."

Mayor Keith Lambert

responsibility as a councilman."

The special meeting was held to help decide the city's position on the management plan as a cooperating agency, which it must submit to the BLM by Sept. 20.

The DNR plan, which was submitted during a series of meetings held by the BLM with the cooperating agencies, would allow for leasing the plateau in 2,500-acre increments, allowing one operator to drill and produce gas with the proceeds and costs of drilling being shared with the other lease holders. Drilling would be confined to the ridge tops of the plateau where there are existing roads. Surface disturbance would be limited to 200 acres at a time, so the operator would have to reclaim the area before moving on to another

ridge. Spacing would be 2,640 feet apart — about a quarter mile.

Council members did not come to a firm conclusion on their position at the special meeting, but Mayor Lambert later said the council seemed to be leaning toward the DNR plan, with certain restrictions put in place.

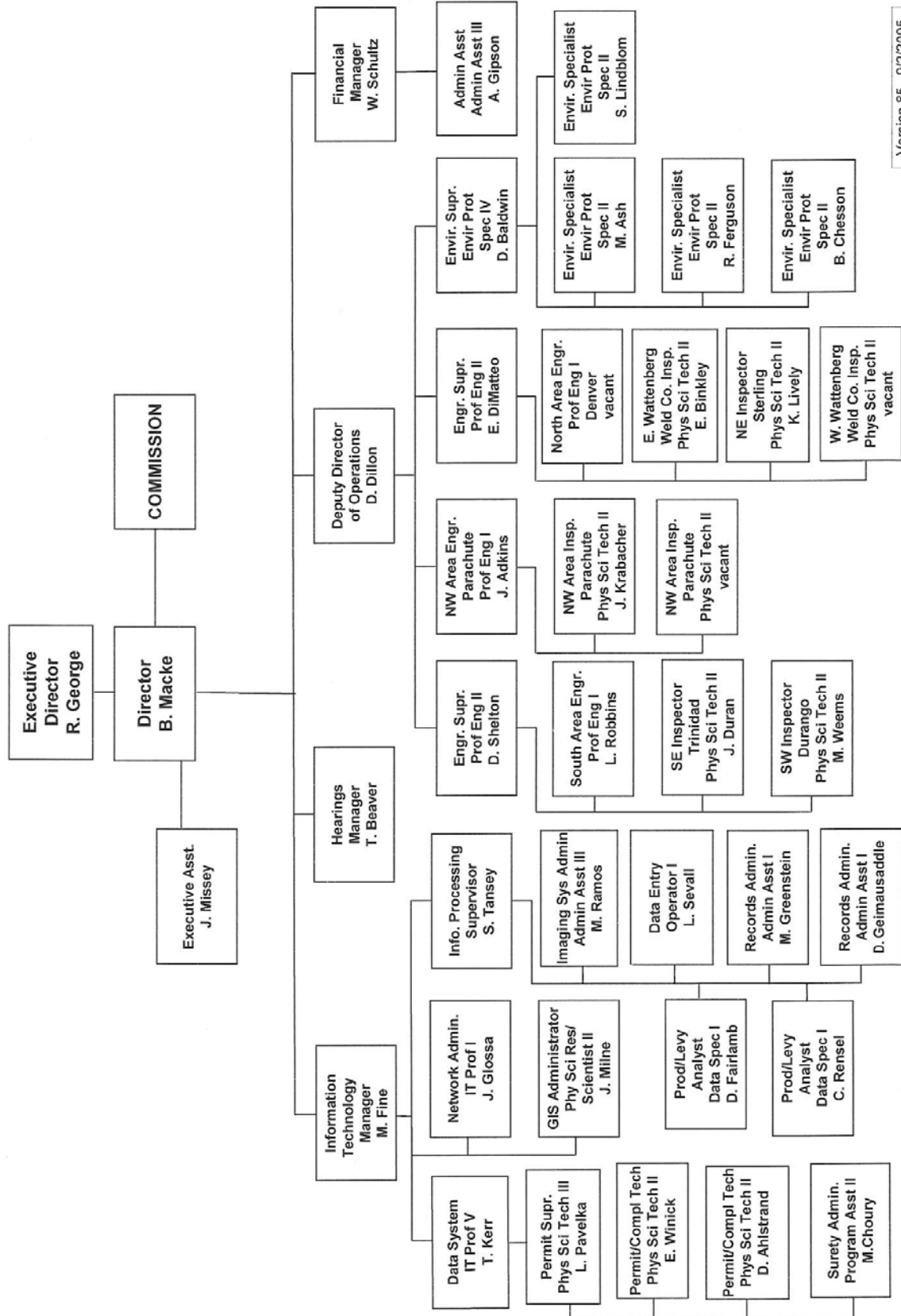
"As a council, our majority position right now is that we don't want to see drilling on the top of the plateau," Lambert said. "But if that is not the outcome of the BLM — if drilling is going to take place — this is how we would like to see it take place."

According to Greg Goodenow, planning and environmental coordinator for the BLM's Glenwood Springs office, final environmental analysis by the BLM is expected in early 2006, followed by a 30-day public protest period and 60 days for the governor's consistency review.

"The intent of the governor's review is to see if our direction is consistent with state plans," Goodenow said.

A final record of decision on the Roan Plateau Management Plan by the BLM should happen sometime in the summer of 2006, Goodenow said.

COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION



HEARING DOCKET:**October, 2005**Preliminary
9/20/2005

No.	Cause	Applicant/Attorney or Representative	Date Rec'd	Field Formation County	Matter	Remarks
0504-GA-01	139	Presco, Inc./ William A. Keefe	3/10/2005	Rulison Williams Fork Garfield	Request for an order to amend Order No. 139-43 to allow wells to be drilled within one-half mile of the Austral Oil Hayward #25-95 (R-E) Well in Lot 11 of Section 25, Township 7 South, Range 95 West, 6th P.M.	Continued to January, 2006 from July, August, and October 2005
0510-GA-04	1	West Evans Commercial Invest., LLC; & Blue Chip Oil, Inc./ Keith M. Crouch	8/8/2005	Wattenberg Codell Weld	Request for an order pursuant to Rule 524 to determine responsible party status with respect to a release of oil and gas from the Anderson-Coombs #6 Well and/or related facilities located in the NW¼, NW¼ of Section 25, Township 5 North, Range 66 West, 6th P.M.	
0508-RM-01	1R	Kerr McGee Rocky Mountain Corporation, EnCana Oil & Gas (USA) Inc. and Noble Energy/ Michael Wozniak	6/17/2005	Wattenberg Cretaceous Age Various	Request to amend Rule 318A, to allow additional wells to be drilled and to establish certain spacing and unit designations.	Continued to Nov. 17
0507-OV-06	1V	Staff Recommendation	6/9/2005	Garfield	OFV - Rules 209, 324A, a., and 906 a. and b., failure by EnCana Oil & Gas (USA) Inc. to prevent the contamination of fresh water by gas, failure to prevent a significant adverse environmental impact to water, to protect public health, safety and welfare, and to prevent the unauthorized discharge of gas, for the former Dietrich water well located in the SE¼ SE¼ of Section 3, Township 7 South, Range 92 West, 6th P.M.	Continued from July
0507-OV-07	1V	Staff Recommendation	6/9/2005	Garfield	OFV - Rules 209, 324A, and 906 b.(3), failure by EnCana Oil & Gas (USA) Inc. to prevent the contamination of fresh water by gas, failure to prevent a significant adverse environmental impact to water, to protect public health, safety and welfare, and to prevent the unauthorized discharge of gas, and failure to control and contain a release of E&P waste upon discovery for the Amos/Walker water well located in the SE¼ of Section 33, Township 6 South, Range 92 West, 6th P.M.	Continued from July
0509-SP-11	376	South Oil, Inc./ Jan Harris	8/8/2005	Whitewater Dakota/Morrison Mesa	Request for an order vacating certain 320-acre drilling and spacing units from the provisions of Order No. 376-1.	Continued from September

0507-AW-14	112	Burlington Resources Oil & Gas Company LP/ Carleton L. Ekberg	6/1/2005	Ignacio-Blanco Fruitland Coal Seam La Plata	Request for an order to allow one additional well to be drilled in certain 320-acre drilling and spacing units in Township 32 North, Ranges 6 through 10 West, N.M.P.M., with the permitted wells to be located no closer than 990 feet to the boundary of the unit and no closer than 130 feet to any interior quarter section line.	Amended and continued from July, August and September.
0510-AW-17	133	Chevron U.S.A./ William Keefe	8/19/2005	Hiawatha West Mesaverde Moffat	Request for an order to allow up to eight (8) wells in each 320-acre drilling and spacing unit in S½ of Section 19, Township 12 North, Range 100 West 6th P.M. and the S½ of Section 24, Township 12 North, Range 101 West, 6th P.M.	
0510-RM-03	1R	Assoc. Governments of Northwest Colorado/ Jim Evans	8/19/2005	Various	Request to amend the 1100 Series Rules to include pipeline regulations.	
0510-AW-19	510	Antero Resources Corp./ William A. Keefe	9/12/2005	Mamm Creek Williams Fork Garfield	Request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the unit boundary for portions of Sections 11-14, Township 6 South, Range 92 West, 6th P.M. and Sections 7, 8 and 18 of Township 6 South, Range 93 West, 6th P.M.	
0510-SP-13	523	Antero Resources Corp./ William A. Keefe	9/12/2005	Mamm Creek Williams Fork Garfield	Request for an order to establish 320-acre drilling and spacing units consisting of the S½ of Sections 9 and 10 and the N½ of Sections 14 and 15, Township 6 South, Range 92 West, 6th P.M., and to allow the equivalent of one well per 10 acre, with the permitted well to be located no closer than 100 feet from the unit boundary.	
0510-AW-18	112	Samson Investment Company/ Michael Wozniak	9/12/2005	Ignacio-Blanco Fruitland Coal Seam La Plata	Request for an order to establish up to four (4) wells in each 320-acre drilling and spacing unit in certain lands in Townships 32 thru 34 North, Ranges 7 thru 9 West, N.M.P.M.	
0510-SP-15	166	EnCana Oil & Gas (USA) Inc./ Erika Zimmer Enger	9/12/2005	Plateau Mesaverde Mesa	Request for an order to re-establish a 640-acre drilling and spacing unit consisting of Section 1, Township 10 South, Range 96 West, 6th P.M., with the permitted well to be located no closer than 600 feet from any lease line or 1200 feet from any producible well.	
0510-SP-14	139	Noble Energy Inc./ Gregory Danielson	9/12/2005	Iles & Williams Fork Garfield/Mesa	Request for an order to establish 40-acre drilling and spacing units, to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the unit boundary, for certain lands in Townships 7 and 8 South, Ranges 93 thru 96 West, 6th P.M.	