

MONTHLY STAFF REPORT – March 14, 2001

I. STATISTICS

Our monthly statistics report is attached. ([Page 1](#), [Page 2](#), [Page 3](#))

In February 2001, the COGCC processed 193 drilling permits (2,516 annual equivalent). In comparison, from 1995 to 1999 the COGCC processed an average of 1,035 permits per year, and last year the permit processing level increased dramatically from 1,010 permits in 1999 to 1,529 permits in 2000. Recent permitting numbers indicate an even greater increase for calendar year 2001 to approximately 2400 permits.

The COGCC has been redirecting staff resources to address the increasing permit processing workload. Some of our inspection and enforcement goals have been cut back in order to keep up with increased permitting and drilling-related inspection workloads.

II. NORTHWEST COLORADO

Northwest Colorado Oil and Gas Forum

The last meeting of the Forum was held on February 21 in Rifle. The meeting was attended by approximately 70 people, most of whom were primarily interested in the presentation about the upcoming Barrett Resources Corporation ("Barrett") 3D seismic project. Representatives from Barrett and seismic contractor WesternGeco provided excellent informational presentations describing the purpose of the 3D seismic survey, how the survey is conducted, the equipment to be used and a discussion of the limited impacts of such a survey. The presentations utilized actual cable and geophone equipment as well as a videotape of a seismic survey recently conducted in San Miguel county in similar terrain and vegetation which showed vibroseis and shot hole drilling equipment. The presentations were received positively, with the public gaining a much better understanding of the project. A discussion about how seismic activities are regulated was provided by the COGCC's Bob Chesson and the BLM's Dan Sokal. A presentation on local citizens' and landowners' concerns about the project was given by Mary Ellen Denomy on behalf of Joan Savage and the Grand Valley Citizen's Alliance. The group distributed a pamphlet before the meeting urging landowners to not sign any seismic operations agreements without including an extensive list of mandatory requirements to address planning, landowner protection, reclamation, water quality, safety, and other concerns.

Other agenda items during the meeting included updates on northwest Colorado oil and gas activity by the COGCC, the BLM, and various oil and gas operators, a discussion of oil and gas tax and federal royalty distributions by Jim Evans with Associated Governments of Northwest Colorado, and an update on the Department of Natural Resources' proposed oil and gas legislative package.

The next meeting of the Forum is scheduled for Thursday, May 10 from 10:00 a.m. until 2:00 p.m. at the Rifle City Hall. The Forum, which consists of representatives from federal, state and local government, the oil and gas industry and all interested citizens, is co-chaired by Brian Macke and Garfield County Commissioner Larry McCown. Please contact Brian Macke at 303-894-2100 x122 or brian.macke@state.co.us to submit agenda topics for the next meeting. Attached are newspaper articles about the Barrett seismic study project and presentation and other items of interest for Garfield County and northwest Colorado. (["Seismic testing details.."](#), ["Seismic testing fears.."](#), ["Parachute area land owners unite.."](#), ["Garfield County wins big.."](#), ["Rockies are growing target.."](#), ["Gas prices expected to rise.."](#))

Barrett Increased Well Density Application

COGCC staff continues to work with Barrett to process Applications for Permit-to-Drill ("APDs") for

new wells within lands subject to the Commission order adopted during the October 2000 hearing for 20-acre density in Garfield County. To date, the COGCC has received 17 APDs submitted by Barrett for the increased well density area.

Since the February hearing, the COGCC has received three APDs for the newly adopted 20-acre infill area. One of the applications is for a vertical well that is a new second location in a 40-acre parcel north of the Colorado River. The remaining two wells, also north of the Colorado River, are vertical wells on the first new surface locations in the 40-acre parcels. One of these locations required an onsite inspection due to its proximity to riparian vegetation along Parachute Creek. None of these three new locations is within the "specified surface wellsite lands". Permit approval is pending.

COGCC staff has been working closely with Barrett permitting staff and Garfield County to ensure that the requirements of the 20-acre density order are met in an efficient manner.

Barrett 20-Acre Density Application for Federal Lands

Barrett has filed an application for the April 2001 hearing for 20-acre well density on approximately 13,000 acres of Federal lands in the Grand Valley/Naval Oil Shale Reserve area in Garfield County. The COGCC rules providing for public participation on the surface impacts are not applicable since the application does not include any private surface lands; therefore, a COGCC Local Public Forum will not be held. Public participation in the matter is addressed through the BLM processes, including the 1999 Glenwood Springs Resource Area Plan Amendment for Oil and Gas Leasing and Development, opportunities for public comment on Applications for Permits to Drill, and possibly an informal public open house. Under the terms of the Memorandum of Understanding between the BLM and the COGCC, the technical merits of the application will be addressed during a COGCC administrative hearing to be held on April 12, 2001. The BLM office in Glenwood Springs is currently soliciting input to determine if there is sufficient public interest to provide an informal open house to answer questions. The BLM contact in Glenwood Springs is Dan Sokal at (970) 947-2810. Attached is a press release and newspaper articles about the application. ([BLM Press Release Page 1](#), [Page 2](#), ["Barrett expected to..."](#), ["BLM wants 20-acre..."Page 1](#), [Page 2](#))

III. SOUTHWEST COLORADO

La Plata County Gas & Oil Regulatory Team (GORT)

The next GORT meeting is scheduled for May 11, 2001 from 8:30 to noon at the La Plata County Fairgrounds.

Archuleta County Commission Meeting

On March 7, Operations Manager Morris Bell made a presentation about the COGCC to the Archuleta County Commissioners and approximately 50 residents. The presentation was requested by the County Commissioners due to three Fruitland Coal drilling permits in the county. Mr. Bell answered questions from the audience at the end of the presentation.

La Plata County/San Juan Basin 3M Project – Update

Weather and ground conditions have necessitated the rescheduling of monitoring well installation. It is anticipated that fieldwork will resume in early summer.

IV. ENVIRONMENTAL ISSUES

Statewide Integrated Ground Water Quality Protection Program

The next meeting is scheduled for May 10, 2001 in the COGCC conference room.

V. ORGANIZATION

.. Staff Organization

Our [current organization chart](#) is attached.

VI. PLANNING/ADMINISTRATION/OTHER

.. Well Log Imaging

The division's open hole well log electronic imaging project, approved for the fiscal year 2000/2001 budget, has been started. The goal of this project is to image all of the estimated 66,000 plus well logs and make them available to all COGCC data users. Ultimately, the log images will be accessible through the Internet.

Colorado Division of Central Services has begun scanning the well logs and saving them to disk for transfer to the imaging system. Issues with scanners, custom software, storage capacity, contracts and procedures have been resolved and the project is now in production. Currently there is one full time workforce shift prepping, scanning and indexing the logs. Another shift is planned for the near future, allowing for twelve hour days of production. The process is still being streamlined to address all of the customized routines necessary to deal with the document shape and file size. There will be an update included in each staff report on the progress and projected completion date.

As the logs are stored in the imaging system they will be immediately available to the public on the Internet. Internet viewing of the logs follows the same procedure outlined in the "Tiff Image Viewing Information" document on the COGIS main menu (<http://cogccweb.state.co.us>). Additional information will be added to the document as we gain experience. Viewing the log images is very memory intensive. Therefore, it may work best to save the document to your hard disk and then open it later.

The imaging system is being reconfigured to provide better access time and additional storage capacity. The necessary equipment has been ordered and installation is anticipated to take place later this month. This conversion should reduce the time required for Internet retrieval and is crucial for storage of all of the well log images.

.. Form Revision

With the current oil and gas prices, we are seeing an increase in drilling and completion activities. Additionally, the 1999 production reporting requirements significantly changed the volume of data submitted. In order to facilitate faster turnaround time of approvals and earlier access to submitted data, all operators have been encouraged to submit their production and levy reports electronically. In order to meet the current data entry and processing requirements the COGCC is ready to begin implementation of alternatives to manual data entry by COGCC staff. One of these alternatives requires a revision to the existing paper forms.

The COGCC, with the State's Pueblo Data Entry Center (PDEC), has created a version of the COGCC Form 7, Operator's Monthly Report of Operations, that will allow for the Optical Character Recognition (OCR) conversion of the imaged data into digital character data. The PDEC form is attached to this report for your review. This form has reference blocks on the four corners which allow the software to grab, align and resize the form to allow for accurate positioning of the data spaces so they may be read by the OCR data conversion application. There is a small bar code on the form called a Digital Form I.D. This I.D. provides the information needed to select the correct application to process the form. The Form 7 included with this report is a final draft version that has been fully tested and

accepted by the COGCC staff. There may be one last version with some changes to the header; these changes may be necessary on the forms that are laid out in a portrait view instead of landscape like the Form 7. ([Form 7 page 1](#), [page 2](#))

The COGCC will scan the production reports and transfer the images to PDEC. PDEC will run the OCR application on the imaged files, review the converted data and correct any improperly converted characters. In order to implement this, there will be a requirement to use the new form. Operators that are currently reporting production will be sent the new form with an instruction letter. The eight operators that are reporting one hundred or more wells must report electronically. Operators with fewer than 100 wells will preferably report electronically but otherwise must use the new form. Any operator may use the new form to report revisions if not reporting these revisions electronically. Computer generated reports will no longer be accepted as they do not allow for OCR capture of the data.

It will be mandatory for all paper reports to be submitted on the new form with the March 2001 report period. Until that time, staff will be looking for a volunteer operator or two to report their production using the new form.

PDEC is currently revising the Form 10, Certification of Clearance and/or Change of Operator; Form 26, Source of Produced Water for Disposal; and the Form 2, Application for Permit-to-Drill. As these forms are developed, alternative reporting methods such as online Internet forms and electronic data transfers will also be developed. The COGCC will utilize the staff report and direct communication to keep operators abreast of these changes.

Production Reporting by E-mail

There are currently more than 80 operators reporting production electronically which accounts for 80.6 percent of the production reported in the month of October. This is an increase of twenty operators and 7.3 percent of the production reports since June of this year. This significantly helps reduce the manual data entry volume. Thank you to all of the operators who are reporting electronically. A [list of these operators](#) is attached to recognize their efforts.

Sharon Tansey has been distributing an Excel spreadsheet that lays out the electronic format for the production report. Electronic submission may be made by e-mail attachment to ogcc.eforms@state.co.us or by mailing a 3.5-inch diskette or CD. To assist operators in understanding the new production reporting form, the codes used on the form, and the data format for reporting electronically, COGCC staff have prepared a document titled "Monthly Report of Operations, Form 7 Specifications". This document is available on the COGCC Website at <http://cogcc.state.co.us/documents/form%207%20specs.html>, or from the COGCC office. Questions should be directed to Sharon Tansey at (303) 894-2100 x128.

Electronic Levy Reporting

There are several levy payors submitting their Conservation Levy reports electronically. These reports account for 2,522 of 17,222 total leases reported in a single quarter or fifteen percent (15%) of the total. While this is a big help it is a small amount of the total percentage and the data entry volume is very significant.

Sharon Tansey has been contacting Levy payors directly and urging them to submit their reports electronically. She will also be working on creating an Excel spreadsheet to help with the data format. The specifications are detailed in the document titled "Oil and Gas Conservation Levy, Form 8, Specifications" which can be found on the Internet under the same title at <http://cogcc.state.co.us/documents/form8specs.htm>. Electronic filing of levy data will help reduce the data input requirements and data entry errors thus enabling faster turnaround time of all documents. Electronic submission may be made by e-mail attachment to ogcc.eforms@state.co.us or by mailing 3.5-inch diskette or CD. Questions should be directed to Sharon Tansey at (303) 894-2100 x128.

Digital Well Logs

During last month's hearing, Commission Chair Sonnenberg requested that staff conduct a study determining the feasibility of collecting and providing well logs in a digital format through its web enabled information system. Initial studies indicate it would definitely be technically feasible to provide this service. Still to be determined are the costs to the COGCC and its customers related to purchasing and/or modifying hardware and software to process, store and view the digital log data. Staff is currently contacting vendors and oil and gas agencies in other states to determine these costs and will report the results of these contacts to the Commission.

Colorado Oil and Gas Information System (COGIS)

The information system for COGCC has been named the Colorado Oil and Gas Information System (COGIS). COGIS is made up of the database management system, the Geographic Information System (GIS) and the document imaging system. All of these systems are available on the Internet and in the Public Room.

The database application consists of a forms processor that stores entered data for review by appropriate technical staff for quality control and compliance. Data access is provided by an online query application to view individual records on the computer screen. Reports are being developed to provide access to multiple record data sets.

The GIS is made up of two parts. The plat mapping tool spots wells, pits, and other associated facilities. The Internet available GIS tool is the Autodesk Mapguide application that displays statewide data including wells, pits, land ownership, spacing, surface water, surface geology, municipalities, roads, etc. Autodesk Mapguide allows for zooming, panning, printing and redirection to the database queries.

The document imaging system contains digital images of all paper records of the COGCC. The historical records, including cement bond logs and oversize hearing exhibits, have all been scanned. The images are available on the Internet.

The impact of these new systems substantially affects the processes that COGCC staff uses to complete its work. Work continues on program fixes (bugs), training, documentation, and modifications to the workflow to fit the new methods of data processing. As these issues are worked through, delays in form approvals and data distribution experienced by COGCC customers should be resolved. Data migration and cleanup continues, although this will be a long-term project. The results will be well worth the effort.

Geographic Information Systems (GIS)

The current GIS project involves inputting spacing orders to show the cause number, unit size and well density of any given area, accurate to the section level. This will enable a reviewer to know which orders should be reviewed for more detail. This is a large project that will take quite a while to complete. The data will begin showing up on the Internet as each spaced area is finished, beginning in southwest Colorado and working clockwise around the state.

COGCC on the Internet

The COGCC continues to expand its Internet presence. Access to the COGIS database is now available via the "Info Systems" button on the COGCC homepage. The GIS and Document Images are available via the same selection. The COGCC searchable orders are available from either the homepage or the Info Systems page.

The GIS has been modified to return the well data query when a well spot is double clicked to display the well data. Active undrilled permits are now available on the GIS.

We continue to redesign our web pages to provide improved customer service. The public is invited to leave comments or suggestions for improvements of the COGCC Internet site. Our e-mail address is dnr.ogcc@state.co.us.

Customer Feedback on Web Site

The comments we receive are encouraging and continue to deliver the message that we are on the right track to provide our customers with the right product. Our goal is to continue to improve the website and the data contained within. With the constructive and positive feedback that we continue to receive we hope to improve on the product.

NGPA Well Determination Process Resumed

On October 1, 2000, the COGCC began accepting applications for determination of coal seam gas and tight formation gas for wells spudded after December 31, 1979 and before January 1, 1993 for which determinations were never requested. In addition, applications may be filed for determination for wells recompleted for coal seam gas and tight formation gas commenced after January 1, 1993, in wells drilled after December 31, 1979 and before January 1, 1993 for which determinations were never requested. Further, gas producers may wish to file applications with the COGCC seeking designation for new tight formation areas previously undesignated.

Operators must submit FERC Form 121 and the COGCC Form along with the required materials to the COGCC for processing for well determinations. FERC Form 121 is available in hard copy at the COGCC. The COGCC form is available digitally on the website by clicking on "Natural Gas Category Determination". Additional information is available on the website including a list of tight formation area designations and a list of all previously approved well determinations provided by the FERC.

To date, 561 applications have been filed with 463 processed and sent to FERC recommending approval. A regularly updated listing of all applications received and their status is available on our website at http://cogcc.state.co.us/info/NGPA/ngpa_determination.htm. For additional information, contact Tricia Beaver at (303) 894-2100 x115 or tricia.beaver@state.co.us.

Penalties Status

Attached is a [revised table](#) showing the status of penalties paid and penalties pending collection. COGCC staff is working closely with State Central Collections to attempt more timely collections.

April Hearing Docket

A preliminary docket for April has been provided. Hearing dockets are updated on the COGCC website and can be accessed at <http://cogcc.state.co.us/2001HearingSchedule.htm>.

VII. VARIANCES

Markus Production, Inc. was granted a variance to COGCC Rule 1004.a., Final Reclamation of Well Sites and Associated Production Facilities requirements. The surface owner has requested that the lease road accessing both wells be left in place after final abandonment for his use in ranching operations.

Mesa Hydrocarbons was granted a Rule 502.b. variance to COGCC Rule 603.a.(1), requirement of 150 feet or one and one-half times the height of the derrick setback from a property line for the Buzzard Creek 14-11 Well. The well is to be a directional well located on an existing well pad and is located 178

feet from the property line of a county road. A spokesperson for Mesa County stated the county had no objections to the location but the county would not execute a waiver.

Mesa Hydrocarbons was granted a Rule 502.b. variance to COGCC Rule 603.a.(1). requirement of 150 feet or one and one-half times the height of the derrick setback from a property line for the Buzzard Creek 14-1 Well. The well is to be a directional well located on an existing well pad and is located 131 feet from the property line of a county road. A spokesperson for Mesa County stated the county had no objections to the location but would not execute a waiver.

H:Nicole/Misc/Staff Report/03-01

Colorado Oil Gas Conservation Commission
Monthly Statistics

Page 1 of 2

YEAR	MO	Baker - Hughes rig count	Permits								Active Wells	Unedited Historic Records	Public Visits			Well Oper Change
			Drilling		Recompletion		Injection		Pits				Data	Office	Internet	
			Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd						
1998	Total		1157	1210	153	159	11	17	112	105			1935	2915	0	3344
1999	JAN	10	51	57	0	1	1	0	13	5	23925	15226	139	271	1263	159
	FEB	11	49	73	6	7	2	2	28	1	23905	15217	158	250	1540	216
	MAR	11	86	65	7	5	1	0	10	20	23889	15204	168	332	1232	38
	APR	8	76	112	7	6	0	0	28	15	23965	15196	145	361	1487	47
	MAY	11	92	82	0	0	0	1	11	7			116	321	1711	506
	JUN	13	95	95	1	1	0	0	19	19	24035	15182	145	234	1506	132
	JUL	10	82	78	6	8	1	1	0	3	24126	15178	150	326	2594	54
	AUG	13	73	81	6	6	1	1	0	2	24145	15176	155	212	1956	40
	SEP	14	90	124	7	13	1	1	14	18			130	132	1136	697
	OCT	15	133	110	13	16	0	0	2	33			146	120	NA	52
	NOV	17	96	90	24	16	3	1	10	5			65	162	NA	90
	DEC	18	87	90	9	8	0	0	23	18			107	119	814	155
1999	Total		1010	1057	86	87	10	7	158	146			1624	2840	15239	2186
2000	JAN	18	71	99	7	7	0	0	3	6			140	92	3025	287
	FEB	17	114	152	16	22	2	2	16	15			123	126	3432	210
	MAR	18	116	130	17	12	1	1	5	17			126	172	3611	190
	APR	18	103	133	4	3	2	2	5	54	21989		108	169	3219	358
	MAY	17	129	128	14	17	0	1	71	34	22098		131	218	3664	154
	JUN	16	122	198	14	20	0	0	18	10	22103		106	117	3391	373
	JUL	19	148	123	9	6	4	8	35	30	22190		100	172	3384	215
	AUG	16	107	154	7	16	1	0	22	40	22247		103	75	3759	195
	SEP	16	138	140	37	34	1	4	51	37	22175		66	208	4941	327
	OCT	19	155	145	11	13	0	0	42	22	22224		99	205	4863	276
	NOV	22	135	181	7	10	1	1	51	34			82	155	4704	163
	DEC	24	191	162	9	14	0	1	9	6	22228		80	135	4143	143
2000	Total		1529	1745	152	174	12	20	328	305			1264	1844	46136	2891
2001	JAN	26	203	217	47	40	1	1	26	8	22240		89	136	6974	
	FEB	29	193	177	5	10	0	0	16	16	22225		75	113	4900	
2001	Total		396	394	52	50	1	1	42	24			164	249	11874	

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

Colorado Oil Gas Conservation Commission
Monthly Statistics

Page 2 of 2

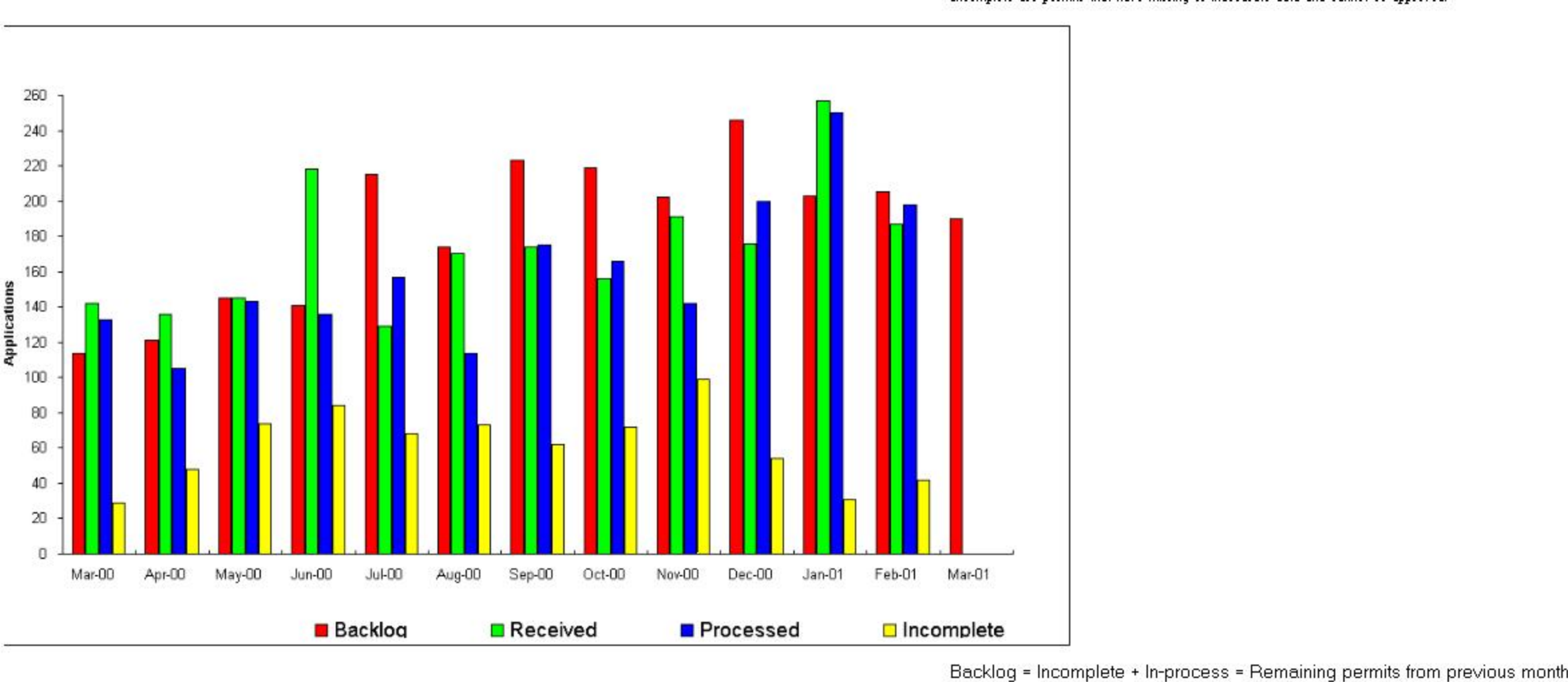
YEAR	MO	Bonds																			Remediation			Field Insp
		Operators		Release		Claim		Hearings		Violations				Cmplt	Spills	Projects								
		New	Inactive	Ind.	Blnt	Replace	Ind.	Blnt	Apps.	Order	NOAV	AOC	OFV			Rcvd	Comp							
1998	Total	61	56	66	34	39	2	2	113	204	168	35	7	55	178	63	9	6990						
1999	JAN	4	3	1	2	10	0	0	0	2	18	0	1	5	16	2	0	485						
	FEB	5	4	3	1	9	0	0	1	1	11	0	0	7	17	1	1	582						
	MAR	4	2	3	2	4	0	0	2	5	2	2	3	7	21	7	0	787						
	APR	5	6	8	3	3	1	0	5	3	25	1	0	5	11	4	3	447						
	MAY	4	3	5	1	6	0	0	NA	NA	18	NA	NA	7	17	0	0	729						
	JUN	3	1	4	0	10	0	0	5	6	8	0	0	5	15	1	0	665						
	JUL	4	2	3	1	1	0	0	4	3	9	1	2	28	19	8	1	900						
	AUG	4	3	6	2	4	0	0	3	4	19	0	3	11	21	3	0	728						
	SEP	6	7	4	5	2	0	1	4	3	19	1	2	18	22	7	0	609						
	OCT	8	4	5	3	7	0	0		2	13	3	0	10	16	4	1	660						
	NOV	3	4	1	4	1	0	1	NA	NA	14	NA	NA	5	15	12	14	486						
	DEC	5	2	2	1	4	0	0	7	7	40	0	1	15	21	34	4	549						
1999	Total	55	41	45	25	61	1	2	31	36	196	8	12	123	211	83	24	7627						
2000	JAN	4	8	3	6	5	1	0	1	1	34	0	1	9	36	4	0	782						
	FEB	7	5	7	0	6	0	0	1	3	10	6	4	39	22	7	2	732						
	MAR	4	6	6	2	3	0	0	5	2	15	0	0	23	27	16	6	637						
	APR	5	12	11	4	2	0	0	6	4	15	0	0	28	22	9	4	672						
	MAY	7	11	10	4	2	0	0	1	1	45	0	0	23	22	8	6	847						
	JUN	5	8	5	5	7	0	0	1	1	39	0	0	12	21	10	16	412						
	JUL	10	7	6	3	5	0	0	5	7	26	2	0	11	26	10	11	738						
	AUG	7	10	8	2	7	0	0	0	0	26	0	0	9	22	12	15	653						
	SEP	10	7	3	7	2	0	0	0	0	15	2	0	10	17	15	26	588						
	OCT	7	10	4	7	4	0	0	14	7	6	2	2	16	20	11	19	488						
	NOV	6	5	2	5	6	1	0	NA	NA	8	NA	NA	12	34	10	13	628						
	DEC	4	0	0	0	6	0	0	13	9	5	1	0	7	13	2	7	481						
2000	Total	76	89	65	45	55	2	0	47	35	244	13	7	199	282	21	125	7658						
2001	JAN	7	8	6	3	10	0	0	12	8	13	1	0	8	31	12	7	717						
	FEB	6	2	3	1	3	1	0	2	4	6	1	0	3	7	4	7	703						
2001	Total	13	10	9	4	13	1	0	14	12	19	2	0	11	38	16	14	1420						

Apvd = Approved, Rcvd = Received, Ind = Individual, Blnt = 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	Remaining
Drilling								
Mar-00	106	130	116	2	0	29	89	118
Apr-00	118	133	103	5	0	48	95	143
May-00	143	128	129	6	0	74	62	136
Jun-00	136	198	122	8	0	84	120	204
Jul-00	204	123	148	13	0	68	98	166
Aug-00	166	154	107	6	0	73	134	207
Sep-00	207	140	138	1	0	62	146	208
Oct-00	208	143	155	6	0	62	128	190
Nov-00	190	181	135	3	0	92	141	233
Dec-00	233	162	191	19	0	48	137	185
Jan-01	185	217	203	5	0	27	167	194
Feb-01	194	177	193	4	0	40	134	174
Mar-01	174	0	0	0	0	0	0	174
Recompletion								
Mar-00	8	12	17	0	0	0	3	3
Apr-00	3	3	2	2	0	0	2	2
May-00	2	17	14	0	0	0	5	5
Jun-00	5	20	14	0	0	0	11	11
Jul-00	11	6	9	0	0	0	8	8
Aug-00	8	16	7	1	0	0	16	16
Sep-00	16	34	37	2	0	0	11	11
Oct-00	11	13	11	1	0	10	2	12
Nov-00	12	10	7	2	0	7	6	13
Dec-00	13	14	9	0	0	6	12	18
Jan-01	18	40	47	0	0	4	7	11
Feb-01	11	10	5	0	0	2	14	16
Mar-01	16	0	0	0	0	0	0	16
Total								
Mar-00	114	142	133	2	0	29	92	121
Apr-00	121	136	105	7	0	48	97	145
May-00	145	145	143	6	0	74	67	141
Jun-00	141	218	136	8	0	84	131	215
Jul-00	215	129	157	13	0	68	106	174
Aug-00	174	170	114	7	0	73	150	223
Sep-00	223	174	175	3	0	62	157	219
Oct-00	219	156	166	7	0	72	130	202
Nov-00	202	191	142	5	0	99	147	246
Dec-00	246	176	200	19	0	54	149	203
Jan-01	203	257	250	5	0	31	174	205
Feb-01	205	187	198	4	0	42	148	190
Mar-01	190	0	0	0	0	0	0	190

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



RIFLE "CITIZEN TELEGRAM" FEBRUARY 28, 2001
By Theresa Hamilton where applicable to individual landown

Landowners in V

They would like notification of entering the property at least three days and no more than 14 days in advance so that live stock or horses can be moved, and

Stuart Wright, geosupport manager for Western Geco who will perform the

Please see **GAS** on page 4

THE CITIZEN TELEGRAM

GAS from page 1

The sound source sends vibrations through the sub surface where a portion of the energy is reflected off of the different types of rock like an echo. The geophones record the sound waves as they travel back toward

"Trains put way more energy into the ground than we will through the Vibrosize or the shots," Stuart Wright

Soychak said after the meeting that many of the guidelines asked for by the landowners Barrett can live with and agreed that many are existing rules, but that some could preclude the seismic activity.

GLENWOOD POST-INDEPENDENT FEB. 22, 2001

Seismic testing fears settled after Q&A discussion about western Garco

By Heather McGregor
Staff Writer

Questions and answers on proposed seismic testing in western Garfield County eased the fears of landowners Wednesday.

"If we can come to an agreement on these things, there's a good chance we will welcome you," said Mary Ellen Denomy, representing landowners on the south side of the Colorado River.

"But you don't come into our house with muddy boots. You take them off. We're inviting you into our home, into Garfield County," said Denomy, urging Barrett Resources and its contractors to meet landowners' requests.

Her comments came during the regular quarterly meeting of the Northwest Colorado Oil and Gas Forum held at Rifle City Hall, where industry staffers, government officials and residents meet to discuss current issues.

Denomy presented a list of 25

concerns that landowners compiled at two meetings earlier this month. She has urged landowners not to sign a seismic access agreement unless the concerns are met in writing.

Barrett originally contracted with Western Geco of Denver for seismic testing on 68 square miles between Rifle and Parachute, on both sides of the river.

But southside landowners questioned the procedure, and Barrett scaled back its 2001 testing to 30 square miles north of the river.

Barrett staffer Steve Soyachak encouraged southside residents to come over this summer and observe Western Geco's three-dimensional seismic testing up close.

Seismic testing will let Barrett Resources "drill smart" and avoid dry or unprofitable wells.

That's because the testing will reveal fractures deep underground in the gas-bearing tight sand forma-

"But you don't come into our house with muddy boots. You take them off. We're inviting you into our home, into Garfield County."

— Mary Ellen Denomy, landowner representative

tions.

"The key to drilling high-productivity wells is to drill close to natural fractures," said Barrett geophysicist Doug Otsby. "The 3-D

Seismic

continued on page 7

The Glenwood Springs Post Independent • Thursday, February 22, 2001 7

Seismic testing process very detailed

Seismic

continued from page 6

tool helps us find those productive sweet spots and eliminate drilling uneconomic wells."

Stuart Wright, geosupport manager for Western Geco, offered a step-by-step explanation of the theory and practice of seismic testing.

"Three-D seismic is a zero or near-zero impact process," Wright said.

Thumper trucks or underground dynamite charges, specially formulated for seismic testing, send out vibrations that bounce off buried rock layers.

A series of geophones — T-shaped devices with a highly sensitive spool suspended at the joint — are connected by cables in 220-foot intervals across the land. The cables relay data to computers in a recording truck, which the Geco crews call the "dog house."

Wright said a 20-person survey crew will come through first to mark test spots. Then a 70-person seismic crew will lay out the equipment, run the tests, gather up the gear and move on.

The whole job is expected to take six to eight weeks, but the crews will be in and out of any particular piece of property in about seven to 10 days.

The chief concern for many are the underground dynamite charges, which will be used in rough areas the thumper trucks can't get into.

Small rigs will drill holes the diameter of a coffee cup, 40 to 60 feet

deep. When a charge is set off that far underground, all that's perceptible at the surface is a faint thump, Wright said.

"The dynamite is formulated to produce shock energy, not to heave or break the rock," said Bob Levan, a salesman for dynamite manufacturer Dyno Nobel of Salt Lake City.

If the drill rigs hit water, the hole will be plugged with concrete, Wright noted.

And Joe Broussard, Western Geco's operations supervisor, promised that his crews won't use bulldozers or cut down trees.

"We may have to trim some limbs, but we have no intention to remove any trees whatsoever," he said.

About 30 percent of the lands slated for testing this year are public, and the U.S. Bureau of Land Management will conduct an environmental analysis before issuing a permit, said staffer Dan Sokal.

Strict conditions will govern public lands testing, he said.

Crews will have to use helicopters for much of the public land testing, since it is so steep.

State officials will be watching the testing closely as well.

Bob Chesson of the Colorado Oil and Gas Conservation Commission said his agency requires the company to meet standards for drilling, plugging holes, protecting groundwater, handling drilling fluids and cuttings, and reclaiming drill sites.

The work must be backed by a performance bond of at least \$25,000.

GLENWOOD POST/INDEPENDENT MARCH 10, 2001

Rockies are growing target for drillers

By Dennis Webb
Staff Writer

Like a rig punching through the western Garfield County substratum, Shell Oil's bid to buy Barrett Resources Corp. is drilling home a point to anyone in the energy industry or general public who didn't already know it:

"If you want to have any strategic position in the North American gas picture, you need to be in the Rockies," industry analyst Irene Haas said Friday.

Increasingly, the Rockies are where the action is for oil and gas production. Rich Griebling, director of the Colorado Oil and Gas Commission, said major producers tend to follow cycles, and up until recently they had been interested in off-shore and international drilling areas.

"Now we're seeing some of the majors move back into more typical domestic oil and gas areas," including Colorado, he said.

Greg Schnacke, executive vice president of the Colorado Oil and Gas Association, an industry lobbying group, said Shell's bid "validates what we've been saying for years: that the Rocky Mountains is the emerging natural gas region for this part of the country and the United States."

"I think the major oil companies are certainly interested in the Rocky Mountains," he said.

Residents in places such as western Garfield County, where the impacts of increased drilling are felt, may be less sure of what to make of Shell's interest.

"Quite frankly, we don't know. It's almost one of those things where we wish there was somebody out there who could tell us what to think, but there isn't," said Janey Hines, president of the Grand Valley Citizens Alliance.

When it came to concerns about the impact of drilling on the public and the environment, Bar-

Barrett won't s(h)ell that cheap

The Associated Press

DENVER — Barrett Resources Corp. on Thursday rejected Shell Oil Co.'s unsolicited \$1.8 billion bid for the natural gas and oil exploration firm, opting to seek new offers from other companies as well as Shell.

Barrett's board of directors decided Shell's offer to purchase outstanding shares at \$55 apiece was not high enough, the company said in a press release.

Barrett stock closed at \$61.22 Thursday, up 18 percent.

The company said Shell's proposal was based only on public information about the company and that unreleased information about Barrett's natural gas potential in the Rocky Mountain region would prove it was worth more.

The company said the information would be available to bidders. "We are inviting Shell to participate in this process," said Peter A. Dea, chairman and chief executive officer of Barrett.

A Shell spokeswoman would not comment on whether the company would go directly to Barrett stockholders.

"We're disappointed. We're considering our options," Kitty Borah said.

Houston-based Shell, a subsidiary of the Royal Dutch/Shell Group, notified Barrett's board of its bid on March 1. Shell offered to assume about \$400 million of Barrett debt.

Barrett is involved in gas gathering as well as exploration and production. Most of its properties are in Colorado, Wyoming, Utah, the mid-continent area of Kansas, Oklahoma and in the Gulf of Mexico off Texas and Louisiana.

rett took the position that it could afford to do only the bare minimum, in order to still make a dollar, Hines said. Should Shell buy Barrett, "We hope that Shell will take advantage of a new start, hopefully, and some deeper resources, financial resources that rectify some of the things that Barrett neglected to do in the past."

But she said she doesn't know a lot about how Shell does things.

"We would like to be optimistic, but on the other hand bigger doesn't necessarily mean better."

Gwen Lachelt, of the Durango-based Oil & Gas Accountability Project, a national industry watchdog group, was pessimistic, precisely because of Shell's size.

"I think residents have a right to be concerned about a very large, multinational corporation drilling in their backyards," she said.

Access to executives at such large companies becomes more difficult, and it becomes harder to

make them aware of the impacts they are having, Lachelt said.

From a state regulator's perspective, Griebling speaks highly of Shell. Until recently, it operated the nation's biggest carbon dioxide production field, near Cortez. There was little concern from the public or local governments about Shell, Griebling said.

"They were a very responsible operator. ... We received very few complaints or concerns raised about that field."

Then again, what constitutes a responsible operator is relative. Griebling, unlike Hines, believes Barrett has been generally responsible as well.

But in Shell's case, Haas — an investment analyst with Sanders Morris Harris in Houston, where Shell is based — also spoke highly of its environmental track record.

"I think Shell is very, very careful. They're very sensitive to environmental issues and they have to be. They operate all

around the world. They need to be cooperative and be sensitive to issues."

Barrett rejected Shell's offer in order to consider other offers as well. Haas said she doesn't know who Barrett's likely buyer will be, if it sells. But with the purchase expected to cost more than \$2 billion, "the question is, who has the cash?"

Shell does, for one. Also in Shell's favor is that it has promised to keep Barrett's employees, Haas said.

Like Griebling and Schnacke, she sees high interest by energy companies in the Rockies, particularly in coal bed methane production, due to its relatively low operating cost and geological risk. Though gas production in Garfield County's Piceance Basin is not centered around coal bed methane, it is also a hotbed of activity and interest, she said.

Drilling

continued on page 7

The Northwest Colorado Oil and Gas Team will meet at Rifle City Hall from 10 AM to 2 PM on February 21. Barrett Resources is expected to have a presentation addressing the seismic study.

Gas prices expected to rise this summer

Drilling

continued from page 1

Griebling said Colorado has seen cycles of centralization and decentralization in terms of major producers' involvement in oil and gas here. Most of the major companies had sizable operations in the state in the 1960s and 1970s, and though they were based out of state, they often had field offices in Colorado. Technological changes and trends helped trigger consolidation of operations and a reduction in field offices in the late '70s, including Shell's closure of its Denver office.

However, now Phillips Petroleum is opening a Denver office. BP Amoco has been active in coal bed methane production in the Durango area, and Shell is interested in reestablishing a Colorado presence through Denver-based Barrett. Phillips has bought coal bed methane assets in Utah and Wyoming and is exploring for the resource in Routt and Moffat counties, Griebling said.

Griebling said the increase in natural gas prices and growing demand for the resource are among the reasons for the renewed interest by major producers. Those factors have combined with continually improving technology to turn some previously marginal prospects into potentially lucrative ones.

Haas said this increasing interest in the Rocky Mountain region is coming during a time of decline in activity in the Gulf of Mexico.

Griebling said he doesn't think that Shell's move is tied in with California's electricity crisis. Reports indicate it has been eyeing Barrett for at least half a year, going back to before that crisis began.

Haas said the Barrett buyout process is probably dragging out longer than Shell would like. But she believes Barrett is prudent to seek multiple bids, and share confidential information with bidders to help establish a fair bidding price.

That process also buys all parties involved some time "to think about the whole process," she

**Janey Hines said
GVCA can only
take a wait-and-
see approach
toward Shell's
interest in Barrett
and Garfield
County.**

**"None of this stuff
is concrete and
we're just as clue-
less as anybody
else," she said.**

**... If they're worse
than Barrett,
"Well, we'll just
cross that bridge
when we get
there," she said.**

said.

Barrett additionally could benefit from increasing natural gas prices this summer. Haas anticipates such an increase because gas storage is 30 percent below normal and new gas turbines for power plants are coming on line.

Griebling said prices have moderated and stabilized some after hitting record levels this winter.

Nevertheless, "These are still high prices," still good for drillers, and more than double what they were a couple of years ago, he said.

But the high prices aren't welcomed by consumers being hit with whopping winter heating bills. And Schnacke said drillers

would be just as happy to see prices lower but more stabilized. Volatile pricing makes it difficult to plan for and finance production.

In the meantime, whether or not more major producers are involved, the public is going to have to get used to drilling as a fact of life, in the Rocky Mountains and elsewhere, in order to meet the increasing energy demand that their lifestyles are creating, Schnacke believes.

Because of increased demand for electricity due to such trends as a growing Internet-computer economy and increasing summer air conditioning, "There's no getting around it. There's gonna have to be more wells drilled, here and around the country," he said.

Hines said GVCA can only take a wait-and-see approach toward Shell's interest in Barrett and Garfield County.

"None of this stuff is concrete and we're just as clueless as anybody else," she said.

When it comes to dealing with major producers, Hines does know that residents in the Durango area found BP Amoco no easier to deal with than smaller energy companies. And she worries about Shell's political and legal clout, in places such as the Colorado legislature, where oil and gas reform efforts have been undertaken with what the GVCA considers to be limited success.

"They're obviously very powerful and have a lot of resources we don't have," Hines said of Shell.

If they're worse than Barrett, "Well, we'll just cross that bridge when we get there," she said.

Griebling said that from the Oil and Gas Commission's standpoint, it wouldn't matter if it were regulating Barrett or Shell — each would be treated the same.

While Barrett pales in comparison to size and resources to Shell, Schnacke said it's still a big company for Colorado, and strong from an economic perspective.

"They're the quintessential Rockies company, if you will. It's a credit to Barrett that Shell is interested."

BLM

#1602

newsBUREAU OF LAND MANAGEMENT • GLENWOOD SPRINGS FIELD
OFFICE
50629 HIGHWAY 6 & 24 • PO BOX 1009 • GLENWOOD SPRINGS, CO

DATE: March 9, 2001

FOR RELEASE: Monday, March 12, 2001FOR FURTHER INFORMATION CONTACT: Dan Sokal for BLM
(970) 947-2810
Brian Macke for COGCC
(303) 894-2100, ext. 122**COGCC and BLM REVIEWING 20 ACRE SPACING PROPOSAL**

Barrett Resources Corporation has filed an application with the Colorado Oil and Gas Corporation Commission (COGCC) for 20 acre well density on Federal lands in the Grand Valley/Naval Oil Shale Reserve (NOSR) area in Garfield County. Barrett's proposal was filed in response to the Bureau of Land Management (BLM) concerns that proper reservoir management of the Federal minerals involved should be the same downhole well density as adjacent private minerals. The spacing order does not commit or allocate surface use on public land.

Under the terms of a Memorandum of Understanding (MOU) between the BLM and COGCC, the technical merits (subsurface mineral potential and development) of the application will be addressed through the COGCC hearing process. An administrative hearing will be held at the COGCC office in Denver, Colorado on April 12, 2001 unless a valid protest on the technical merits of the application is received.

The COGCC rules governing public participation are not applicable since the application does not include any private surface lands. There are federal laws and regulations that address environmental, public health, safety and welfare issues on public land.

All of the public lands within the spacing order have been leased for oil and gas development. The existing leases do not prescribe or control the downhole spacing to develop the oil and gas resource. Federal leases are issued with the right to fully develop the lease consistent with the rights granted and modified by laws, regulations and the local resource management plan. The recent 1999 Glenwood Springs Resource Area Plan Amendment for Oil and Gas Leasing and Development did provide for extensive public participation and addressed the local environmental, public health, safety and welfare issues on public land. Future Applications for Permit to Drill (APD) for both downhole and surface use on 20 acre spacing must be found in conformance with this land use plan and account for current local issues prior to authorization. This means that even though the federal minerals may be approved for 20 acre downhole development, the surface use will still be dependent on the federal approval process for involving the public and completing a site specific environmental analysis to develop and apply mitigation. At the time an APD is submitted, BLM's level of mitigation and authority could require relocation of a proposed surface well site up to 200 meters (656 feet) under 43 CFR 3101.1-2 which in affect would result in the use of existing 40 acre surface well sites for directional drilling of 20 acre downhole locations.

03/09/2001 12:19 9709472829

BLM

PAGE 03

The BLM acknowledges that this application for 20 acre subsurface development increases local concern and may create a misunderstanding of the effect that this spacing order would have on managing oil and gas development on public lands. The local BLM office in Glenwood Springs is interested in knowing if there is enough public interest to provide an informal open house to answer questions. The office is also providing opportunity for individuals to express questions and concerns up to April 9th by calling Dan Sokal at 947-2810. Downhole technical questions and comments should be directed to Brian Macke, Deputy Director, COGCC at 303-894-2100, ext. 122. If the demand for an open house is not sufficient, the BLM is willing to meet with groups or communities upon request to address concerns and questions. It should be noted that the BLM posts all APDs in the Glenwood Springs Office, the Grand Junction BLM Office, and the State BLM office for 30 days for public notification and comment. In addition, the Glenwood Springs Office submits news releases to local newspapers on all APDs requesting public comments and will continue this effort. Comments and concerns regarding oil and gas issues can also be raised at the quarterly Northwest Oil and Gas meetings conducted jointly by the COGCC, Garfield County and the BLM at the Rifle town hall. The next scheduled meeting is tentatively May 10, 2001 at 10:00 am.

GRAND JUNCTION
"DAILY SENTINEL"
FEB 28, 2001

AROUND THE REGION

Barrett expected to seek 20-acre spacing for wells

By **MIKE MCKIBBIN**
The Daily Sentinel

RIFLE — Barrett Resources Corp. is expected to file an application by Monday to use directional drilling to reach 20-acre spacing of natural gas wells on an undetermined number of federal acres in western Garfield County.

The application is an outgrowth of last year's 20-year spacing request on some 9,000 privately owned acres between Rulison and Parachute. After a nearly yearlong hearing process, the Colorado Oil and Gas Conservation Commission required Barrett to drill directionally from existing well pads on some 1,400 acres. The 20-acre spacing was allowed on the remaining 7,000 acres, the closest gas well spacing in Colorado.

The Bureau of Land Management originally intervened in Barrett's application as well, because it did not include federal lands.

The agency withdrew its intervention when Barrett promised to

seek 20-acre spacing on federal lands at a later date.

The BLM property included in the anticipated request lies generally in the same area, said Natural Resource Specialist Dan Sokal in the BLM's Glenwood Springs office.

"It's very likely they will apply, we've been working with them," he said, "but until we see the application, we can't say exactly where."

Steve Soychak, Barrett's Parachute district manager, also had not seen the application, which was being prepared by officials in the company's Denver offices.

"I can't guarantee we'll apply, but I know they're planning to do so next month," Soychak added.

A significant difference with this density application and Barrett's previous one is that the company plans to drill directionally from 40-acre well pads to achieve 20-acre downhole spacing to more effectively drain the underground natural gas reservoir.

During last year's hearings, company officials often claimed

directional drilling was too costly compared to drilling vertically.

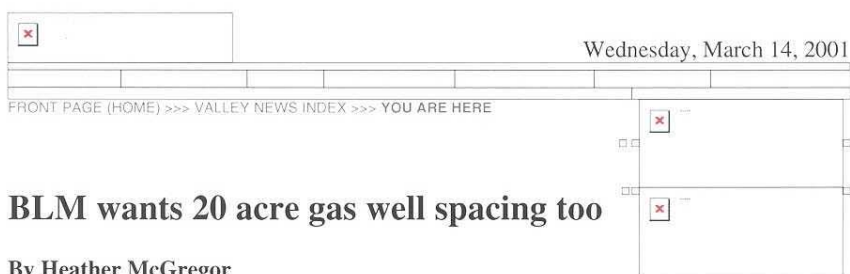
Soychak noted that federal lands are often more topographically challenging than privately owned lands, "and that sometimes makes them more suitable for directional drilling. There are usually steep slopes involved, and you can't drill on a lot of those slopes."

Also unlike last year's proceedings, the oil and gas conservation commission's public intervention process will not apply, since the lands are federally owned.

Surface issues will be addressed by the BLM under the National Environmental Policy Act provisions, Sokal said.

"We will provide an opportunity for public involvement," he emphasized, "either through news releases or maybe an open house to discuss the application and potential actions."

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



BLM wants 20 acre gas well spacing too

By Heather McGregor

Staff Writer

If private lands get 20-acre gas well spacing, the federal government wants it, too, according to the U.S. Bureau of Land Management.

Acting on a BLM request, Barrett Resources has applied to the state for 20-acre gas well spacing on about 16,000 acres of public lands between Rifle and Parachute.

The doubled spacing will allow BLM to maximize production of natural gas from its lands, said Dan Sokal, gas drilling manager for BLM in Garfield County.

But BLM's environmental rules will likely limit wells to 40-acre spacing on the surface, Sokal said.

Barrett would be required to use directional drilling to tap the 20-acre downhole wells.

That's the most practical approach anyway, said Steve Soychak, Barrett's Parachute field manager.

"The BLM acreage is topographically more challenged than the neighboring private lands. That's why we'd be looking at directional drilling," he said. "It would be much more difficult to find two locations on a 40-acre parcel."

Soychak said some old wells already exist on the federal lands, and Barrett would use those pads to drill a second directional well. On vacant 40-acre parcels, Barrett would drill a vertical and a directional well from a single new pad.

Barrett's request last year to double gas well density on 9,000 acres of private land raised a firestorm of controversy.

But in the midst of public opposition over what would be the most dense gas drilling in Colorado, BLM protested the application because Barrett didn't also seek 20-acre spacing for neighboring BLM lands.

Barrett offered to seek the doubled density for BLM lands later, and that's the application that was filed March 5 with the Colorado Oil and Gas Conservation Commission

COGNATE ON THE COGNATE COMMISSION.

Much of the 16,000 acres is slated for testing this summer in a seismic program sought by Barrett. It will reveal the prime sites for drilling, and those that aren't worth the expense.

Drilling on the federal lands will still be controlled to avoid wildlife conflicts, steep slopes and other environmental problems, Sokal said.

In addition, Barrett is preparing a two- to three-year plan of development for the center portion of the 16,000 acres.

Sokal said the company would have to submit similar plans in order to drill on the east or west sides of the federal lands.

[BACK TO TOP OF PAGE](#)

[FRONT PAGE](#) | [VALLEY NEWS](#) | [SPORTS](#) | [COMMENTARY](#) | [CLASSIFIED ADS](#) | [REAL ESTATE](#) | [OPTIONS \(A&E\)](#)

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Receive DateFax

*WATER DISPOSAL CODES:
M = Commercial Disposal
C = Central Disposal
P = Pit
I = Injected

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Date (MM/DD/YYYY)

COLORADO OPERATORS ELECTRONICALLY SUBMITTING MONTHLY REPORT OF OPERATIONS

44 CANYON LLC
ACEITE ENERGY CORP
AMOCO PRODUCTION CO.
ANSCHUTZ EXPLORATION CORP
BALLARD PETROLEUM LLC
BARRETT RESOURCES CORP
BATAA OIL, INC.
BAYLESS* ROBERT L
BENCHMARK OIL & GAS CORP
BEREN CORPORATION
BONNEVILLE FUELS CORP
BOULDER OIL COMPANY
BURLINGTON RESOURCES OIL & GAS
CALPINE NATURAL GAS COMPANY
CHEMCO INC
CHESAPEAKE OPERATING INC
CHEVRON U S A INC
COASTAL OIL & GAS CORP
D & G ROUSTABOUT SERVICE
D J PRODUCTION SERVICES INC
DIAMOND OPERATING, INC.
DOHENY* PATRICK A
DUNCAN OIL INC
EVERGREEN OPERATING CORP
EXCO RESOURCES INC
FLYING J OIL & GAS INC
FOUR STAR OIL & GAS COMPANY
HALEY/HUGHES OPERATIONS
HALLWOOD PETROLEUM INC
HOLCOMB OIL & GAS INC
HS RESOURCES INC
J-W OPERATING CO
K P KAUFFMAN COMPANY INC
KCS RESOURCES INC
KOCH EXPL CO
LEWIS & CLARK EXPLORATION CO
LOCIN OIL CORPORATION
LONE MOUNTAIN PRODUCTION CO
LUFF EXPLORATION CO
MARKUS PRODUCTION, INC

MARKWEST RESOURCES INC
MATRIX ENERGY LLC
MCELVAN OIL & GAS PROPERTIES
MERIT ENERGY COMPANY
MULL DRILLING CO INC
MURCHISON OIL & GAS
NORTH AMERICAN RESOURCES CO
OCEAN ENERGY RESOURCES INC
PATINA OIL & GAS CORPORATION
PEACOCK OIL CO INC
PETRA OLEUM CORP
PETROGLYPH OPERATING CO INC
PETROLEUM DEVELOPMENT CORP
PLAINS PETROLEUM OPERATING CO
POZO RESOURCES, INC
PRIMA OIL & GAS COMPANY
PRIME OPERATING COMPANY
QUESTAR EXPL. & PROD. CO
RIM OPERATING, INC
RIO MESA RESOURCES INC
RITCHIE EXPLORATION INC
ROSEWOOD RESOURCES INC
SAMEDAN OIL CORP
SAMSON OIL CO
SG INTERESTS I, LTD
SHENANDOAH ENERGY INC
SOUTHWESTERN PRODUCTION CORP
SOVEREIGN ENERGY LLC
STELBAR OIL CORP INC
STEWART PETROLEUM CORP
STRACHAN EXPLORATION, INC
TEXACO E & P INC
TWIN ARROW INC
UNIOIL
UNITED STATES EXPLORATION INC
VALLEY OPERATING INC
WALSH PRODUCTION INC
WBI PRODUCTION
WHITING PETROLEUM CORP
WIEPKING-FULLERTON ENERGY LLC

PENALTY PAYMENT STATUS

UPDATED:

03/13/01

I. Penalties Assessed/Paid

Fiscal Year	Number of Orders Issued	\$ Amount of Penalties Assessed	Number of Orders Paid	\$ Amount of Penalties Paid	Number of Orders Waived	\$ Amount of Penalties Waived	Number of Orders Paid Through Collections
90-91	4	\$32,300	4	\$32,300	0	\$0	n/a
91-92	0	\$0	0	\$0	0	\$0	n/a
92-93	6	\$11,500	2	\$6,500	0	\$0	n/a
93-94	9	\$152,608	7	\$105,000	0	\$0	n/a
94-95	10	\$181,552	4	\$21,805	4	\$139,000	n/a
95-96	24	\$252,250	19	\$154,000	3	\$20,750	n/a
96-97	13	\$79,500	8	\$29,500	0	\$0	n/a
97-98	29	\$140,500	22	\$74,750	0	\$0	n/a
98-99	19	\$62,000	17	\$46,500	1	\$13,000	n/a
99-00	23	\$110,500	12	\$59,460	0	\$3,000	2
00-01	13	\$81,500	11	\$21,500	0	\$6,000	0
Totals	150	\$1,104,210	106	\$551,315	8	\$181,750	2

II. Penalties Pending Collection

Order Number	Date Issued	Violating Entity	Penalty Assessed	Violations	Status	Referred to Central Collections
1V-58	03/15/93	Gear Drilling Company	\$2,000	Rule 305, 319.a.(2)		Yes
1V-73	08/23/94	Western Oil Company	\$2,500	Rule 317.a.8.	Work completed per order	Yes
1V-82	05/19/95	Joseph V. Dodge	\$14,000	Rules 210.b., 305., 307., 317.b.(3), 604.a.(4)	Bond forfeited	Yes
1V-110	05/21/96	Kana Resources, Inc.	\$3,500	Rules 303.a., 306., 317.b.1.	AOC negotiated	Yes
1V-114	09/04/96	Mr. Jim Snyder	\$10,000	Rules 308., 317.i., APD	District Court decision entered/\$10,000 bond claimed 12/96/	Yes
1V-122	05/20/97	McCormick Oil & Gas Co.	\$32,000	Rule 317.g.	Cash bond to be posted by 9/1/97/in litigation-secured by deed of trust.	Yes
1V-124	07/01/97	Nerdilco Company Inc.	\$9,000	Rules 326.b.1., 319.b., 210.b.	Fine not paid	Yes
1V-167	01/05/99	Pacific Midland Production	\$1,000	Rule 326.b.	Bond to be claimed.	Yes
1V-170	03/25/99	Allen Oil & Gas, LLC	\$12,000	Rules 904, 905, 603.g., 906, 909.b.(2) &(5), 910	Work to be completed by July 1, 1999.	Yes
1V-173	07/12/99	J. Magness, Inc.	\$9,000	Rules 207.b., and 326.b.	Bond to be claimed if work not completed.	Yes
1V-175	08/19/99	McCormick Oil & Gas Co.	\$18,000	Rules 1004, 319.b.(3), 326.b., 206., 309.	McCormick in Bankruptcy.	Yes
1V-177	05/19/99	Faith Energy Exploration, Inc.	\$3,500	Rules 308A., 308B., 326.b.	Pull Plugging Bond.	Yes
1V-183	12/02/98	Gopher Drilling Company	\$2,000	Order No. 1C-3	Bond to be claimed if work not completed.	Yes
1V-191	02/15/00	Cascade Oil	\$1,000	Rule 326.b.(1)	Bond to be claimed if work not completed.	Yes
1V-201	10/30/00	Texas Tea, LLC	\$4,000	Rule 319.b.(3), 326.b.	Payment plan arranged 01/19/01	No
1V-202	11/30/00	Robert Ziegler	\$2,000	Rule 326.b.		No
1V-204	12/19/00	Allen Oil & Gas, LLC	\$50,000	Rule 326.b., 324A.a., 904., 905., 906.b.(1), 906.e.(1), 907.c.(2)		No
1V-206	01/08/01	Amoco Production Co.	\$2,000	Rule 303.a.		No
Total penalties pending collection			\$187,500			

III. Penalties Uncollectable

Order Number	Date Issued	Date Entered	Violating Entity	Penalty Assessed	Violations	Status
1V-56	07/20/92	08/25/92	The Meyer Oil Company	\$1,500	Rule 329, 323, 604	Penalty included in Order 1-196
1V-62	11/22/93	12/14/93	Richmond Petroleum Inc.	\$47,608	Rules 317.r., 902.g.1., 908.b., Order #112-85	District Court entered judgement. Referred to State Central Collections who recommends write-off
1V-75	08/23/94	09/23/94	The Meyer Oil Company	\$18,247	Rules 317.a.8., 305., 308., Order #1-132 & 178	No Action Taken/Penalty discharged in bankruptcy
1V-93	11/21/95	12/15/95	Tipps Drilling Co.	\$60,000	Rules 604.a.4., 902.e.&f.	\$30,000 bond claimed 11/96/penalty unpaid/No assets. State Central Collections recommends write-off
1V-123	05/20/97	05/30/97	Planet Associates, Inc.	\$4,000	Rules 319.b., 326.b.	\$10,000 bond claimed 5/97/penalty unpaid/Company no longer exists
1V-127	08/04/97	08/13/97	Point Lookout Drilling	\$28,750	Rules 210., 308., 312., et al	\$30,000 bond claimed 5/97. State Central Collections recommends write-off
1V-132	11/24/97	12/17/97	Eros, Inc.	\$24,000	Rules 319.b., 326.b.	\$30,000 bond claimed 5/98/penalty unpaid/Company no longer exists
1V-134	02/09/98	03/10/98	Centennial Petroleum Inc.	\$2,000	Rules 1004., 1103.	\$30,000 bond claim commenced 3/98. Bonding co. did work/ State Central Collections recommends write-off
1V-161	10/19/98	11/19/98	Black Thunder Marketing, Inc.	\$2,000	Rule 326.b.	Bond claim underway. State Central Collections recommends write-off
Total uncollectable penalties				\$188,105.00		