

MONTHLY STAFF REPORT - December 3, 2001

I. STATISTICS

Our monthly statistics report ([Page 1](#), [Page 2](#), [Page 3](#)) and newspaper articles about the current elevated level of oil and gas development activity are attached.

II. NORTHWEST COLORADO

.. Northwest Colorado Oil and Gas Forum

The last meeting of the Forum was held on November 15, 2001 at the Rifle City Hall, and was attended by approximately 36 people. Agenda items included updates on Northwest Colorado activity by the COGCC, the BLM, and representatives of the oil and gas industry, an update on Local Energy and Mineral Impact Assistance Fund Distributions by Department of Local Affairs Northwest Colorado Regional Manager Tim Sarmo, a discussion of how to improve the oil and gas employee counts on Severance Tax reports which affects distributions of severance tax funds to local governments, an update on recent oil and gas technology training in Grand Junction sponsored by the industry, the Department of Local Affairs, and the Associated Governments of Northwest Colorado, and a discussion of Garfield County/Battlement Mesa area issues. The industry was congratulated during the meeting for working closely with the public to address issues, especially during this time of increased development activity.

The next meeting of the Forum is scheduled for Thursday, February 14, 2002 from 10:00 a.m. until 12:00 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 the newspaper articles about items of interest to northwest Colorado. ("[Garfield Assessed Value Up 33 Percent In 2001](#)", "[Oil, Gas Companies, Officials Meet To Discuss Development](#)")

.. Williams Production Company ("Williams") Increased Well Density Application

COGCC staff continues to work with Williams (formerly 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 50 APDs submitted by Williams for the increased well density area.

Since the October 2001 hearing, the COGCC has received eight new APDs for the 20-acre infill area. Two of the APDs are for a new surface well site location south of the Colorado River on Specified Wellsite Lands (one vertical hole and one directional). Because of the proximity of the proposed wells to the Colorado River and riparian vegetation, an onsite inspection of the proposed wellsite was conducted on November 15, 2001. The inspection was attended by the landowner, COGCC staff, and representatives of Williams and Garfield County. As a result of the inspection, special permit conditions were placed on the APDs by the COGCC staff for additional erosion and weed control for the new wellsite. The remaining six APDs are located outside the Specified Wellsite Lands north of the Colorado River. Five APDs are for new vertical well locations and one is for a directional well off a new well location. All eight new APDs are for wells that are 2nd wells in 40-acre tracts.

COGCC staff continues to work closely with Williams permitting staff and Garfield County to ensure that the requirements of the 20-acre density order are met in an efficient manner.

The order for 20-acre Williams Fork well density in the Grand Valley, Parachute, and Rulison Fields that was adopted by the Commission on October 30, 2000 requires the Director to prepare and present an assessment of the first year implementation of the order. The assessment includes a map showing the locations of new wells permitted in the application lands and information regarding the number of onsite inspections conducted, public health, safety, and welfare and environmental issues raised during the onsite inspections, site specific drilling permit conditions of approval that have been applied, and other relevant information. The order requires that a draft of the assessment be provided by December 1, 2001 to Williams, the Colorado Oil and Gas Association, Garfield County, the Mackley/Savage Group, and the Grand Valley Citizens Alliance, who will have the opportunity to provide their comments. The final assessment report will be provided to you by December 31, 2001.

III. NORTHEAST COLORADO

.. Private Property/Oil and Gas Development Seminar

The Colorado Association of Soil Conservation Districts (CASCD) is planning to conduct another Private Property/Oil and Gas Development Seminar at the Brighton Recreation Center on February 21, 2002 starting at 5:30 p.m. The seminar, which was previously held in Ft. Lupton on October 4th, was attended by approximately 100 people, including DJ Basin surface owners, representatives of the City of Ft. Lupton, and other interested citizens. One of the primary topics of interest raised during the discussion was the concern by surface owners about potential conflicts on lands being developed for oil and gas that are also being considered for future residential subdivision development. The CASCD has invited the COGCC and industry representatives, along with a representative of surface owners and a soil conservation specialist to make presentations and participate in a panel discussion.

IV. SOUTHWEST COLORADO

♦ 3M Monitoring Wells Update

Staff has drilled four (4) monitoring wells at three (3) different sites. Staff is currently installing the pressure transducers in the four (4) wells. An additional five (5) wells will be drilled to complete the monitoring well project when the drilling contractor obtains additional equipment.

V. SOUTHEAST COLORADO

♦ Raton Basin Project

Phase III of the Raton Project will begin in December. The Seacrest Group won the bid for the final phase of the study. The third phase consists of sampling water and gas from one hundred (100) water wells in the Raton Basin. The composition of the water and the gas from the water wells will be compared to the gas wells that were sampled in Phase IV.

.. New Southeast Colorado Field Inspector

We would like to welcome John Duran as our new Field Inspector for Southeast Colorado. John starts on December 3, 2001 and will train in the Denver office during December. He will relocate to Trinidad, in January 1, 2002.

VI. ENVIRONMENTAL ISSUES

.. Quarterly WQCC/WQCD/COGCC Meeting

Future meetings of the Water Quality Control Commission, Water Quality Control Division, and COGCC will be held on a semi-annual basis. The next joint meeting is tentatively planned for March 11

or 12, 2002.

.. Rule Making Proposed to the Water Quality Control Commission (WQCC)

In an ongoing program to resolve discrepancies between the EPA requirements for UIC programs and the WQCC standards and classification for ground water, Bob Chesson, Debbie Baldwin, and Ed DiMatteo continue to work with staff from both agencies. A new rule has been proposed that would apply to the Morrison and Sundance Formations in Wilson Creek Field in Rio Blanco County (proposed WQCC Rule 42.7 (50)).

COGCC staff will present the proposed rule at the WQCC December 10, 2001 hearing. The hearing is scheduled to begin at 1:30 p.m. in the Florence Sabin Conference Room of the Colorado Department of Public Health and Environment (CDPHE), 4300 Cherry Creek Drive South, Denver.

♦ COGCC Annual Report to the WQCC

The COGCC staff will also present its 2000-2001 Fiscal Year report to the WQCC at the December 10, 2001 hearing. The report presentation is scheduled for 2:00 p.m. A copy of the report has been provided to you.

VII. ORGANIZATION

♦ Staff Organization

Our [current organization chart](#) is attached. We welcome Ernest Slatton as our new IT Technician; he begins work with the COGCC today.

♦ Retirement

After approximately six years of service, our Public Room Administrator Barbara Browning has announced her retirement. Barbara's last working day with the COGCC will be December 28, 2001. We thank Barbara for her dedication and hard work and wish her a happy retirement.

VIII. PLANNING/ADMINISTRATION/OTHER

.. 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 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, 583 applications have been filed and processed, with 502 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.

January Hearing Docket

A preliminary [docket](#) for the January 7th and 8th hearing has been provided. Hearing dockets are updated on the COGCC website by clicking on "2001 Hearing Schedules, Dockets, Agendas and Minutes" or "2002 Hearing Schedules, Dockets, Agendas and Minutes".

Well Log Imaging

The division's open hole well log electronic imaging project that was approved for the fiscal year 2000/2001 budget is close to completion. The goal of this project is to image all of the historically submitted well logs. The original estimate of 66,000 plus well logs has been revised to 100,700; the discrepancy was due to the fact that the length of the paper logs has increased over time. There are currently in excess of 60,000 log images accessible through the Internet.

The Division of Central Services has completed scanning all well logs and saving them to disk for transfer to the COGCC imaging system. The images are of a consistent high quality, resulting in a large image file. The scanning was completed in the second week of July. Another 2,000 well logs were discovered in the state archives that had not been imaged. Those logs are in the process of being scanned indexed and should be available in the next month.

Internet viewing of the logs follows the procedure outlined in the "Tiff Image Viewing Information" document on the COGIS main menu at <http://cogccweb.state.co.us/>. Additional information will be added to the document as we gain experience. Viewing the logs is very memory intensive; it may work best to save the document to your hard disk and then open it later.

The imaging system has been reconfigured to provide better access time and additional storage capacity. Additional traffic and the time taken to download the well logs appears to be causing some performance problems with the images on the Internet, we are monitoring the server and will be trying different configurations to improve the performance.

Image Indexing and Data Cleanup

This is a new COGCC project for fiscal year 2001/2002. The goal of Image Indexing will be to go through all the imaged documents and identify the document type in the index information. This will greatly enhance the functionality and the time needed to select the desired document image. This project started slowly and ramped up as the processes and procedures were refined. Over 6,500 of the 63,000 well files have been fully indexed and rescanned where necessary.

The number of images that can be indexed daily varies by the quality of the original scanned images. A number of documents are being rescanned, as the documents may not have been correctly separated when first scanned. There are currently four persons working full time on the project and soon a fifth person will be added.

The goal of the Data Cleanup is to review the well file records and verify and update all records in the new database supplying information that were not migrated or available in the old database system. This project will require multiple levels of temporary staff to insure that the data quality meets the desired outcome. The Data Cleanup will begin this month as tools, processes and procedures are put into place.

Production Reporting by E-mail

There are currently more than 80 operators reporting electronically, accounting for 80.6% of the production reported in the month of October 2000. This is an increase of twenty operators, or 7.3% of production reports, since June of 2000. This significantly reduces the manual data entry volume. Thank you to all of the operators who are reporting electronically.

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 has prepared a document titled "Monthly Report of Operations, Form 7 Specifications". This document is available on the COGCC web site at <http://www.cogcc.state.co.us/documents/>, or from the COGCC office. Questions should be directed to Sharon Tansey at (303) 894-2100 x128.

Electronic Levy Reporting

Levy reporting was suspended for the first and second quarters of 2001. Reporting will begin in the third quarter of 2001. The new form and the electronic reporting format are available for download from the web in the new reporting format at <http://cogcc.state.co.us/forms.html>. Please contact Sharon Tansey concerning any new format requirements at (303) 894-2100 x128.

Data Entry

The volume of data entry has increased significantly over the past year. With the current oil and gas prices, we are seeing an increase in drilling and completion activities and the 1999 production reporting requirements significantly changed the number of lines of data submitted. In addition, the new COGIS database allows for storage of a more complete data set than the previous database for wells and other oil and gas operations. In order to facilitate faster turnaround time of approvals and earlier data access to submitted data, all operators are being encouraged to submit their production and levy reports electronically. The COGCC is exploring ways to make forms available for submission on the Internet so that all forms can be submitted electronically.

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 Optical Character Recognition (OCR) conversion of the imaged data into digital character data. 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, a form must be used that is identical to the current form, except it has reference blocks in the corners for automated sizing and alignment, and a barcode that is used as a unique form identifier. In addition, there will be a request for operators who are generating paper reports from their computers to submit the data electronically. While the project is complicated, initial testing indicates that it will be successful. This form is now available on the Internet at <http://cogcc.state.co.us/forms.html>.

Colorado Oil and Gas Information System (COGIS)

The COGCC information system 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 form processor that stores entered data for review by appropriate technical staff for quality control and compliance. Data access is provided by an online query 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 well logs and oversize hearing exhibits, 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 the reviewer to know which orders should be consulted for further 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.

A new tool has been made available that allows a user to draw a radius from a chosen point and select all the wells within that radius. After selection a report can be generated showing the completed intervals and the status for the wells within the radius.

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.

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 in providing our customers with the right product. Our goal is to continue to improve the website and the data contained within.

COGCC FY 02-03 Budget Change Requests

The COGCC has prepared three requests for changes to the base budget for FY 02-03 that have been reviewed by the Department of Natural Resources and have been placed on the Department's change request priority list. The following are the FY 02-03 COGCC budget change requests:

- Permit Coordinator / Conflicts Ombudsman

\$128,704, 1.0 FTE

This request is for funds from the Severance Tax Operational Account for the following two

purposes: 1) to provide funding for a Conflicts Ombudsman, using an existing FTE, to address and resolve conflicts that have arisen between oil and gas developers, surface users, and local governments, and to respond to inquiries from the media that have increased substantially with the dramatic increase in the number of drilling permit applications over the past two years, and 2) to provide a new FTE and funding for a Permitting Coordinator to address the increasing well permitting workload.

- Data Clean-up Project, Year 2

\$126,415, 0 FTE

This request is for funds from the Severance Tax Operational Account to review, verify and correct data files migrated from COGCC's old computer system to the new computer system, COGIS (Colorado Oil and Gas Information System). These files include 12,000 of the 22,000 active and recently plugged oil and gas wells and 34,000 older historic plugged and abandoned wells. The first year (FY 02) portion of this project was approved by the legislature last year.

- Remote Staff Decision Support

\$112,134, 0 FTE

This request is for funds from the Severance Tax Operational Account to provide 14 field workstations for COGCC field engineers, inspectors and environmental protection specialists. These workstations will provide a state of the art system that will allow the COGCC field staff to make better informed decisions more rapidly on location at oil and gas operation sites. The workstations will consist of portable laptop computers equipped with database and office software, modems for communication via either land or cellular phone lines, printers, digital cameras, and global positioning systems (GPS). The workstations will increase efficiency and data accuracy of the field staff by allowing field inspectors to enter inspection data on location, as well as allowing field staff immediate access to current information on oil and gas operations while on site. This access to current information will recover time currently being lost by both the field staff and Operations Section office staff in retrieving data needed in the field via telephone conversations. This time recovery is urgently needed to address the workload associated with the increasing amount of oil and gas development activity in Colorado.

The MEGA Board reviewed the budget change requests during their June meeting. The change requests have been approved by the Information Management Commission and the State Office of Planning and Budgeting, and are currently under review by the Joint Budget Committee.

- Local Government Information

The new local government program is now available on the COGCC website. Letters (approximately 300) were sent to all Colorado counties, cities, towns, municipalities and special districts advising them of the site, along with a new Local Governmental Designee form for those local governments who wish to participate under Rule 214. To date, 115 forms (43 counties and 72 cities) have been returned with 100 (42 counties and 58 cities) wishing to participate as Local Governmental Designees. To access the local government information, go to the COGCC website at www.cogcc.state.co.us and click on the "Local Government" button. At the Local Government Search screen a local government name may be entered and searched for approved permits, pending permits, operator changes and plugged wells within that governmental area. In addition, statewide searches for the same information may be conducted from this screen. There are links to the hearing schedule, COGIS and the current list of participating Local Governmental Designees.

- Commission Policy for Plugged and Abandoned Wells and Exploration and Production Waste Encountered
By Surface Development Projects

As residential and commercial development has accelerated along the Front Range and other areas in Colorado, it is becoming more common for surface developers to encounter previously plugged and abandoned wells in the same areas where they plan to construct homes and other buildings. Usually the previously plugged and abandoned wells are required to be cut off below grade and re-abandoned. To date, the COGCC has not had an established protocol for who would be responsible for the re-abandonment of the well, and what procedure would be followed for the re-abandonment operation. Staff has concluded that these re-abandonment operations and the remediation of exploration and production waste are "oil and gas operations" as defined in the Oil and Gas Conservation Act and in the COGCC Rules and Regulations, and are required to be conducted by a registered operator who has provided financial assurance to ensure that the wells are properly plugged and abandoned.

Attached is a [draft policy](#) for consideration of adoption by the Commission for these types of re-abandonment operations. The policy requires that either the surface developer or its designee be registered as an operator in the state and provide financial assurance to ensure the proper final re-abandonment of the well. The policy specifies requirements for notice to the previous well owner and approval from COGCC staff of the operational procedures to cut off and re-abandon prior to conducting operations. The policy also specifies requirements for the remediation of exploration and production waste encountered during surface development activities including reporting, sampling and analysis, and remediation workplans.

The draft policy was reviewed by the Commission at the October 29, 2001 hearing, when the decision was made to docket the matter for discussion at today's hearing. The draft policy was sent to the Colorado Association of Home Builders and other surface development representatives on October 30, 2001 for their review and comment.

IX. **VARIANCES**

502.b. Variance Granted

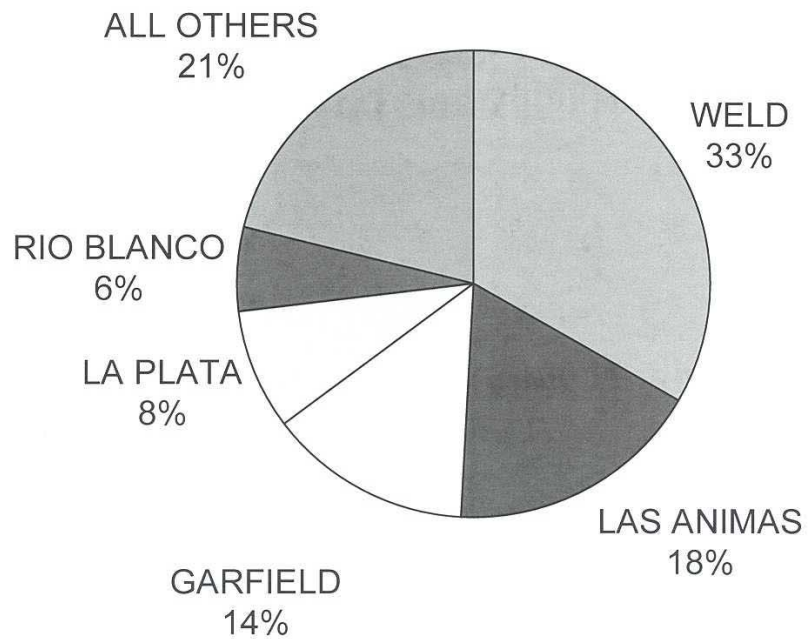
Ballard Petroleum LLC was granted a Rule 502.b. variance to Rule 321 for directional drilling requirements. Inadvertently, no bottom hole location survey was run when the well was drilled, as required by Rule 321. Ballard has proposed to estimate the bottom hole location using data from two other directionally drilled wells in the area.

Brooks Exploration, Inc. was granted a variance to Rule 1004.a. for the Whitmore Webster #1 Well located in Weld County. The current surface owner has requested that the tank battery location and lease roads not be ripped or revegetated. Existing roads will be used by Aggregate Industries during future sand and gravel mining operations.

Amoco Production Company was granted a Rule 502.b. variance of lease line setback requirements established by Order No. 112-157 for the Lemon 2-17U, Well #2. This is to be a Fruitland Coalbed test in the NW¼ SE¼ of Section 17, Township 32 North, Range 6 West, N.M.P.M. This exception location was requested to avoid an irrigation ditch and an irrigated pasture. No protest was received. The location is 87 feet north of the drilling window.

Amoco Production Company was granted a Rule 502.b. variance of lease line setback requirements established by Order No. 112-157 for the Short, Lyle Gas Unit A, Well #2. This is to be a Fruitland Coalbed Test in the SE¼ NW¼ of Section 7, Township 33 North, Range 9 West, N.M.P.M. This exception location was requested to minimize impact on the surface owner's property by utilizing an existing well pad. No protest was received. The location is 190 feet south of the drilling window.

Colorado Oil and Gas 2000 Drilling Permits



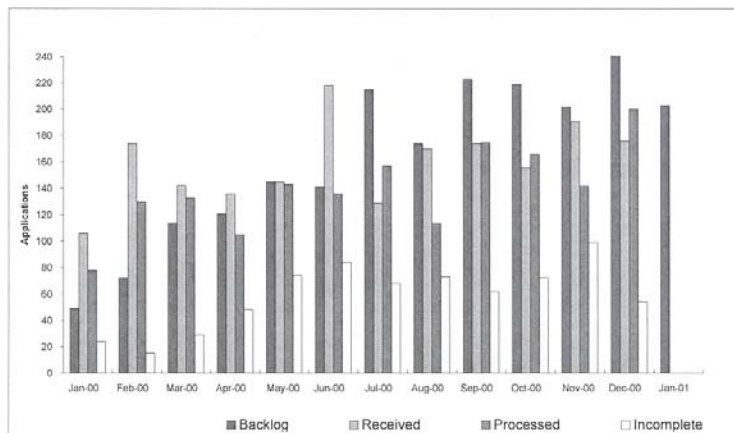
Colorado Oil and Gas Conservation Commission

Data Current Through 12/31/00

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

	Backlog	Received	Processed	Withdrawn	Rejected	Incomplete	In-Process	Remaining
Drilling								
Jan-00	47	99	71	5	0	24	46	70
Feb-00	70	152	114	5	0	15	88	103
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	0	0	0	0	0	0	185
Recompletion								
Jan-00	2	7	7	0	0	0	2	2
Feb-00	2	22	16	1	0	0	7	7
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	0	0	0	0	0	0	18
Total								
Jan-00	49	106	78	5	0	24	48	72
Feb-00	72	174	130	6	0	15	95	110
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	108	174
Aug-00	174	170	114	7	0	73	150	223
Sep-00	223	174	175	3	0	62	157	219
Oct-00	219	155	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	0	0	0	0	0	0	203

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



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

Colorado Oil Gas Conservation Commission
Monthly Statistics

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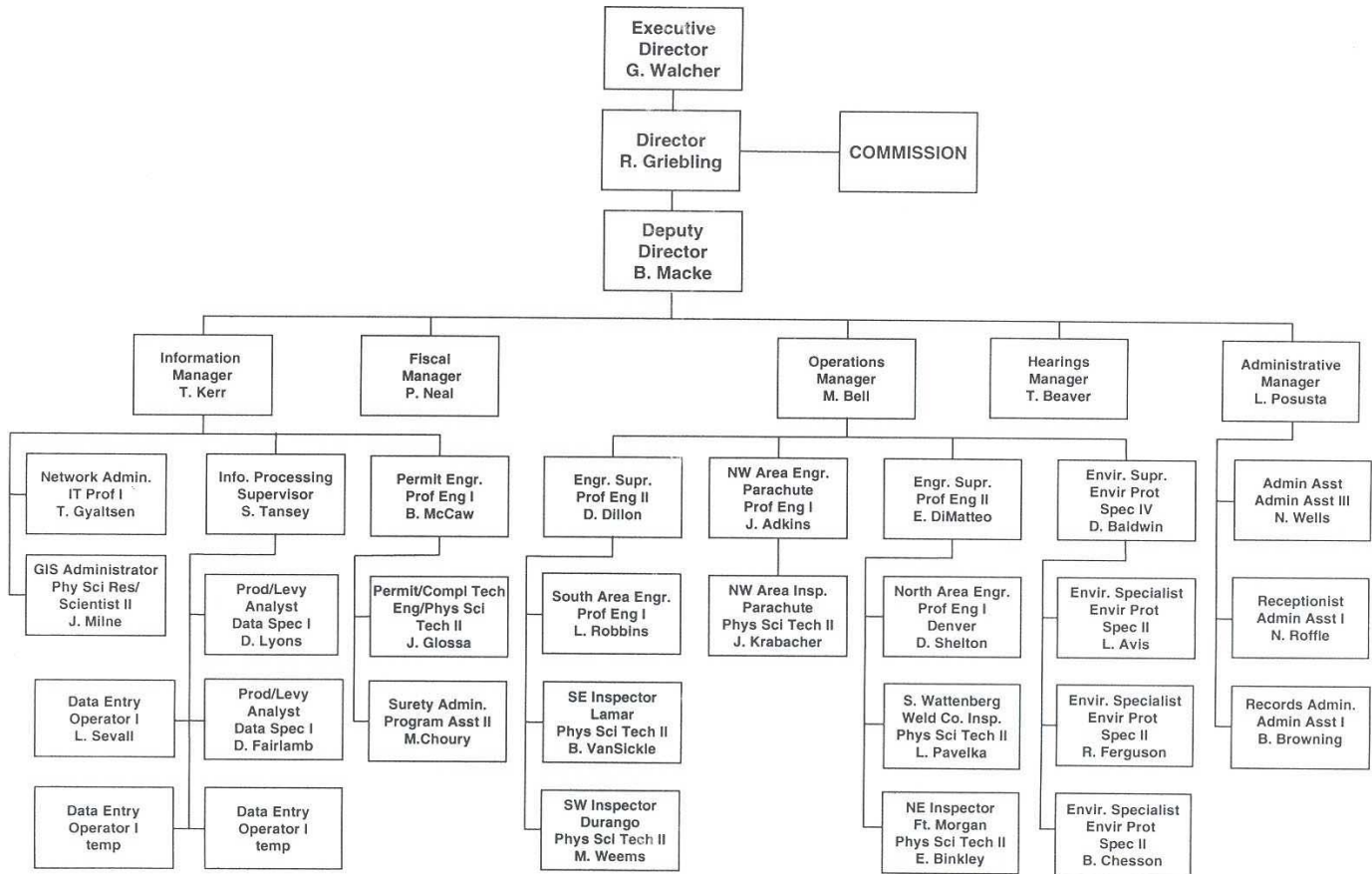
YEAR	MO	Baker - Hughes rig count	Permits								Active Wells	Unedited Historic Records	Public Visits			Well Oper Change
			Drilling		Recompletion		Injection		Pits				Data	Office	Internet	
			Apv'd	Rcv'd	Apv'd	Rcv'd	Apv'd	Rcv'd	Apv'd	Rcv'd						
1997	Total		1002	1012	134	130	15	16	85	121			2297	2495	0	3228
1998	JAN	18	73	94	4	5	1	0	14	1	23282	15378	176	243		76
	FEB	16	140	143	5	9	1	2		52	23395	15367	166	212		829
	MAR	17	115	98	17	12	0	1	2	0	23487	15361	164	312		
	APR	15	89	92	14	15	0	3	14	0	23532	15361	181	298		
	MAY	14	75	109	12	15	0	2	8	2	23590	15349	190	272		
	JUN	15	126	130	14	33	0	2	0	15	23602	15340	172	199		820
	JUL	13	83	141	8	15	2	2	3	2	23661	15333	163	268		240
	AUG	10	101	89	28	18	0	1	3	1	23761	15306	160	226		383
	SEP	9	84	80	13	10	2	0	6	7	23820	15305	155	232		100
	OCT	6	93	103	8	13	2	0	41		23841	15304	130	243		335
	NOV	8	103	69	20	9	0	2	9	21			150	168		276
	DEC	12	75	62	10	5	3	2	12	4	23943	15245	128	242		285
1998	Total		1157	1210	153	159	11	17	112	105			1935	2915	0	3344
	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		3	24126	15178	150	326	2594	54
	AUG	13	73	81	6	6	1	1		2	24145	15176	155	212	1956	40
	SEP	14	90	124	7	13	1	1	14	17			130	132	1136	697
	OCT	15	133	110	13	16	0	0	2	31			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	15			107	119	814	155
1999	Total		1010	1057	86	87	10	7	158	140			1624	2840	15239	2186
	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	9			126	172	3611	190
	APR	18	103	133	4	3	2	1	5	54	21989		108	169	3219	356
	MAY	17	129	128	14	17	0	1	71	34	22098		131	218	3664	154
	JUN	16	122	198	14	20	0	0	18	11	22103		106	117	3391	367
	JUL	19	148	123	9	6	4	8	35	30	22190		100	172	3384	214
	AUG	16	107	154	7	16	1	0	22	40	22247		103	75	3759	192
	SEP	16	138	140	37	34	1	2	51	37	22175		66	208	4941	308
	OCT	19	155	145	11	13	0	0	42	22	22224		99	205	4863	234
	NOV	22	135	181	7	10	1	1	51	34			82	155	4704	138
	DEC	24	191	162	9	14	0	1	9	6	22228		80	135	4143	17
2000	Total		1529	1745	152	174	12	17	328	298			1264	1844	46136	2667

Colorado Oil Gas Conservation Commission
Monthly Statistics

Page 2 of 2

YEAR	MO	Bonds														Remediation		
		Operators		Release			Claim		Hearings		Violations			Cmplt	Spills	Projects		Field Insp
		New	Inactive	Ind.	Blnkt	Replace	Ind.	Blnkt	Apps.	Order	NOAV	AOC	OFV			Rcvd	Comp	
1997	Total	46	73	63	56	42	1	2	92	99	365	5	11	230	175	106	65	729
1998	JAN	4	2	3	0	7	0	1	15	21	15	0	0	3	17	0	2	631
	FEB	2	4	3	2	3	0	0	30	74	34	10	3	0	9	0	0	546
	MAR	6	5	4	2	3	0	1	20	50	18	1	0	3	23	6	0	724
	APR	6	2	1	11	5	0	0	12	25	4	1	0	3	15	0	0	672
	MAY	12	7	3	1	0	0	0	NA	NA	14	NA	NA	9	11	7	3	555
	JUN	9	4	1	1	5	1	0	4	16	17	15	0	6	12	2	0	376
	JUL	6	9	10	7	3	0	0	8	6	7	1	0	3	7	6	0	532
	AUG	3	9	6	3	3	0	0	6	6	9	2	1	1	22	14	1	709
	SEP	4	2	7	2	3	0	0	4	2	13	2	0	8	19	1	0	590
	OCT	3	5	12	2	3	0	0	2	2	10	2	2	10	17	10	0	531
	NOV	4	4	10	3	2	0	0	NA	NA	15	NA	NA	6	13	8	2	625
	DEC	2	3	6	0	2	1	0	6	2	12	1	1	3	13	9	1	499
1998	Total	61	56	66	34	39	2	2	113	204	168	35	7	55	178	63	9	6990
	JAN	4	3	1	2	10	0	0	0	2	20	0	1	5	16	2	0	485
	FEB	5	4	3	1	9	0	0	1	1	5	0	0	7	17	1	1	582
	MAR	4	2	3	2	4	0	0	2	5	1	2	3	7	21	7	0	786
	APR	5	6	8	3	3	1	0	5	3	18	1	0	5	11	4	3	447
	MAY	4	3	5	1	6	0	0	NA	NA	5	NA	NA	7	17	0	0	729
	JUN	3	1	4	0	10	0	0	5	6	16	0	0	5	15	1	0	665
	JUL	4	2	3	1	1	0	0	4	3	5	1	2	28	19	8	1	900
	AUG	4	3	6	2	4	0	0	3	4	1	0	3	11	21	3	0	728
	SEP	6	7	4	5	2	0	1	4	3	7	1	2	18	22	7	0	607
	OCT	8	4	5	3	7	0	0	2	6	3	0	0	10	16	4	1	660
	NOV	3	4	1	4	1	0	1	NA	NA	10	NA	NA	5	15	12	14	486
	DEC	5	2	2	1	4	0	0	7	7	18	0	1	15	21	34	4	548
1999	Total	55	41	45	25	61	1	2	31	36	112	8	12	123	211	83	24	7623
	JAN	4	8	3	6	5	1	0	1	1	34	0	1	9	35	4	0	778
	FEB	7	5	7	0	6	0	0	1	3	9	6	4	39	22	7	2	732
	MAR	4	6	6	2	3	0	0	5	2	15	0	0	23	27	16	6	636
	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	44	0	0	23	22	8	6	847
	JUN	5	8	5	5	7	0	0	1	1	39	0	0	12	20	10	16	412
	JUL	10	7	6	3	5	0	0	5	7	20	2	0	11	26	10	11	738
	AUG	7	10	8	2	7	0	0	0	0	22	0	0	8	22	12	15	653
	SEP	10	7	3	7	2	0	0	0	0	13	2	0	9	17	15	25	587
	OCT	7	10	4	7	4	0	0	14	7	4	2	2	15	18	11	19	458
	NOV	6	5	2	5	6	1	0	NA	NA	7	NA	NA	12	34	10	13	513
	DEC	4	0	0	0	6	0	0	13	9	5	1	0	3	11	1	7	356
2000	Total	76	89	65	45	55	2	0	47	35	227	13	7	192	276	21	124	7382

COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION



GLENNWOOD "POST-INDEPENDENT" DEC. 22, 2000

The

Watchdogs point out need for disclosure of oil and gas interests

By Heather McGregor
Staff Writer

Environmental watchdogs of the gas drilling industry have called for full disclosure of oil and gas interests held by the seven members of the Colorado Oil and Gas Conservation Commission.

Janey Hines, of the Grand Valley Citizens Alliance, said five of the commission's seven members "work for the industry they are supposed to be regulating."

The challenge comes just a few weeks before the start of the 2001 legislative session, when state Sen. Jim Dyer, D-Durango, will push a bill reducing the number of industry-oriented board members.

A similar bill introduced in the 2000 session by House Speaker Russell George failed by one vote.

"A new law must be passed that requires a fair, impartial and trustworthy Oil and Gas Commission," Hines said. She noted that the Oil and Gas Commission recently approved 20-acre gas well spacing in western Garfield

County, the most dense in the state.

The Citizens Oil and Gas Support Center, which includes groups in Parachute, Durango and Trinidad, issued the disclosure challenge Wednesday in a news release.

Officials at the Oil and Gas

Support Center members charge the situation has resulted in drilling permits that damage the environment and endanger the public.

Commission office in Denver knew nothing of the request.

The Support Center contends that close industry relationships among most of the Oil and Gas Commission's board members amount to "the industry regulating itself."

And Support Center members charge the situation has resulted

in drilling permits that damage the environment and endanger the public.

"Despite serious environmental problems, the commission continues to allow new well drilling before it can determine how to prevent these problems from happening in the first place," said Jerry Swingle of the Durango-based San Juan Citizens Alliance.

Swingle said the problems include contaminated drinking water, methane and hydrogen sulfide seeps in and near homes, underground coal fires, exploding water wells, wrecked wildlife habitat and loss of surface owner rights.

The seven Oil and Gas Commission members are Dan Skrabacz, Brian Cree, Stephen Sonneberg, Abe Phillips, Tom Ann Casey, Michael Klish and Bruce Johnson.

Of the seven, only Klish and Johnson are not employed in the energy industry. Johnson is a farmer and real estate broker, and Klish is an environmental scientist who specializes in reclamation.

GRAND DIVISION "DAILY SENTINEL"
DEC. 27, 2000

Groups feel 'duped' over conflict bill

*Environmentalists: Walcher
blocking conflicts of interest bill*

By MARIJA B. VADER
The Daily Sentinel

RIFLE — State representatives from areas most affected by oil and gas drilling will not sponsor a citizen-initiated bill to bar conflicts of interest on the Colorado Oil and Gas Conservation Commission.

Environmental groups are not happy about it.

"We feel we've been duped," said Janey Hines of the Grand Valley Citizens Alliance, a Parachute-based watchdog group.

What's more, Hines alleged, Department of Natural Resources Director Greg Walcher asked two state representatives to specifically not sponsor the grass-roots conflict of interest bill.

And they agreed, Hines said.

"One person is trying to wrest away from the citizens the power of a true reform bill by limiting the number of legitimate sponsors of that bill," Hines said of Walcher.

"Walcher is a resource pig. He will always promote the extraction of natural resources," Hines said.

State Rep. Gregg Rippy, R-Glenwood Springs, "already promised he'd carry," the conflict bill, Hines said.

Rippy took over the seat formerly held by House Speaker Russ George.

Last year, George sponsored the conflict bill.

"Gregg Rippy missed the opportunity to truly come through and represent the people of his district," Hines added.

Rippy, however, said Thursday that nobody from the Alliance has asked him to sponsor the conflict bill.

Furthermore, he can introduce only five bills, and he's already committed all five slots, Rippy added.

And, of conversations with Walcher, "There was certainly nothing said about what you can or can't carry," Rippy said.



GREG WALCHER

The Alliance, the San Juan Citizens Alliance in Durango, Southern Colorado CURE in Trinidad and the Citizens Oil and Gas Support Center in Durango have strongly supported a bill that would prohibit persons with conflicts of interest from serving on the state oil and gas commission.

The watchdog groups claim some commission members work for the industry they regulate, creating conflicts of interest.

The groups unsuccessfully

See BILL, page 8A ➤

BILL: Walcher introduced 3 bills

➤ Continued from Page One

attempted the past two years to pass the legislation.

They will introduce similar legislation again this year.

State Sen. Jim Dyer, D-Durango, will sponsor the conflict bill in the Senate, but the citizens groups have yet to find a representative to sponsor the measure in the House.

Walcher denied Friday that he asked Rippy to not sponsor the conflict bill.

Walcher did not specifically deny that he asked Rep. Mark Larson, R-Cortez, to not sponsor the conflict bill.

Instead, Walcher said Friday, "we reached that conclusion together."

Larson denied he made a deal with Walcher.

Instead, "As I recall, it was my option to not move forward with the conflict bill, in hopes I would be able to spur interest and support for the surface damage bill," said Larson Friday, referring to a bill proposed by Walcher.

Furthermore, the surface damage bill is "more important at this point," Larson said, "so I guess it was a matter of my priorities."

Also, members of the state oil and gas commission denied a request this year by Barrett Resources to increase well density in Garfield County, Larson said.

"Why hold them hostage when they're doing what people wanted them to do anyway?" Larson said.

Jerry Swingle of the San Juan Citizens Alliance was discouraged by Larson's actions.

"People have expressed every- thing from disappointment to

resentment that our representa- tion has disavowed any support for legislation," said Swingle. "It's fortunate that the representa- tion should be most sympathetic to the need for this legislation available and isn't willing."

In October, Walcher intro- duced three of his own proposed bills aimed at changing oil and gas law.

Walcher's legislation deals with drilling conditions and paying damages done by drilling, noti- fication of drilling, of subdivision pl and of mineral severance laws surface owners' ability to claim mineral rights.

State Reps. Larson, Rippy, Shawn Mitchell, R-Broomfield, each sponsor one Walcher bill while Dyer will be the Senate sponsor for all three proposals.

Walcher's proposals "dove well" with the grass-roots bill, Swingle said.

Hines, however, said Walch proposals will have "very little po- tential impact. People were asking a racehorse, and what we got was a hedgehog."

Walcher took a similar tack on the conflict bill, calling it a "Be Aid that doesn't fix the problem," said. "Rep. Larson reached the same conclusion."

Instead, Walcher claimed his isolation strikes at the heart of a quated state laws and does not sonalize the issue.

"We don't want it to get pers al," Walcher said, adding that ommission members are "all vol- teers and doing the best they with a complicated set of issues."

Marija B. Vader can be reach- ed via e-mail at mvader@jgds.com.

PENALTY PAYMENT STATUS

UPDATED:

01/02/01

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	11	\$81,500	5	\$10,000	0	\$0	0

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	06/19/95	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	06/04/96	Mr. Jim Snyder	\$10,000	Rules 308., 317.l., 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	Nordlinc 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. Magliess, Inc.	\$9,000	Rules 207.b., and 326.b.	Bond to be claimed if work not completed.	Yes
1V-175	09/19/99	McCormick Oil & Gas Co.	\$16,000	Rules 1004, 319.b.(3), 326.b., 206., 308.	McCormick in Bankruptcy.	Yes
1V-177	08/19/99	Faith Energy Exploration, Inc.	\$3,500	Rules 308A., 308B., 326.b.	Pull Plugging Bond.	Yes
1V-183	12/02/99	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-192	02/15/00	Plenergy Development Ltd.	\$4,000	Rules 319.b.(3) and 326.b.	Bond to be claimed if work not completed/Hearing Oct 2000	No
1V-193	02/15/00	Plenergy Development Ltd.	\$4,000	Rules 319.b.(3) and 326.b.	Bond to be claimed if work not completed/Hearing Oct 2000	No
1V-194	02/15/00	Plenergy Development Ltd.	\$4,000	Rules 319.b.(3) and 326.b.	Bond to be claimed if work not completed/Hearing Oct 2000	No
1V-197	09/25/00	Texas Tea, LLC	\$2,500	Rule 324.a.		No
1V-201	10/30/00	Texas Tea, LLC	\$4,000	Rule 319.b.(3), 326.b.		No
1V-202	11/30/00	Robert Ziegler	\$2,000	Rule 326.b.		No
Total penalties pending collection			\$140,000			

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 1-186
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-76	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 11/99/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 9/97/ 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		