

MONTHLY STAFF REPORT

September 23, 2002

I. STATISTICS

Our monthly statistics report is attached ([page 1](#), [page 2](#), [page 3](#)). Approved Applications for Permit-to-Drill ("APDs") through the end of July 2002 total 1188; equivalent to an annual rate of 2045 which is 10% below last year's second highest record level of 2273.

II. NORTHWEST COLORADO

.. Northwest Colorado Oil and Gas Forum

The next meeting of the Forum, which is co-chaired by COGCC Deputy Director Brian Macke and Garfield County Commissioner Larry McCown and consists of representatives from federal, state and local government, the oil and gas industry and all interested citizens, is tentatively scheduled for Wednesday, October 2, 2002 in Rangely from 10:00 a.m. to 2:00 p.m. at the ChevronTexaco Rangely Field Office. The forum is being held at ChevronTexaco staff's request in conjunction with a presentation and field tour of the Rangely Field operations. ChevronTexaco is planning the meeting and field tour accommodations, and has requested that participants RSVP for the meeting. Attached is a [notice of the meeting](#), which requires that RSVP's be provided by September 20, 2002. To accommodate participants at today's hearing, RSVP's will be accepted through September 23, 2002.

During the last meeting on February 14, 2002 the forum participants agreed to conduct two meetings per year instead of four due to the lack of local issues currently being raised by citizens. The meetings will be held in the fall and the spring during the Legislative session. Co-chairs Brian Macke and Larry McCown assured the forum participants that additional meetings could be scheduled during the year if changing circumstances create a need to do so. Please contact Brian Macke at 303-894-2100 x122 or brian.macke@state.co.us to submit agenda topics for the next meeting. Attached is a [newspaper article](#) about topics of local concern.

.. Parachute Area Air Quality Monitoring Meeting

The Grand Valley Citizen's Alliance ("GVCA") has been concerned with the practice of flaring gas wells that are being completed in the area and with what is perceived to be emissions from producing wells. The GVCA has called on the Colorado Air Pollution Control Division ("APCD") and the EPA to become involved in the issue.

As a follow up to an initial meeting with the GVCA, Williams Production Company, the APCD and the EPA on March 6, 2002 in Parachute, Brian Macke and Bob Chesson attended meetings on April 4 and 24, 2002 with representatives of the Colorado Air Pollution Control Division, the EPA and Williams Production Company to discuss various options for initiating a "Community Based Program" to address the community's air quality concerns. The EPA is providing funding through their Emergency Response Program to do some air sampling and analysis in the area.

The COGCC, the APCD, the EPA, the air sampling contractor Seagull Environmental, GVCA, and Williams Production Company representatives met again on May 22, 2002 to agree on sites for air sampling. During the week of May 27, 2002, twenty air sampling chambers were distributed at seven different locations as follows: 1) a producing Williams Fork gas well that is equipped with a vapor combustion (odor reduction) unit, 2) a producing Williams Fork gas well that is not equipped with a vapor combustion unit, 3) a well that is undergoing completion operations and is being flared, 4) in the town of Parachute, down-valley from several gas wells, 5) near Parachute Creek, up-valley from several gas wells, 6) in the town of Newcastle to represent similar town conditions to Parachute but without the nearby gas wells, and 7) near a residence in Red Apple subdivision in the Rulison Field.

In addition to the canisters, which sampled air that was analyzed for organic compounds, monitors were set up to measure NOX, NO₂ and SO₂ at the flaring well site. The analysis of the air samples has been completed, and the data has been compiled. The APCD and the EPA will convene a meeting of the GVCA, Williams Production Company, other members of the public and COGCC staff to discuss the results. This meeting, which has not yet been scheduled, will most likely be in late September. The cost of the sampling and analysis is approximately \$1,500 per canister, with a total cost of approximately \$30,000.

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

COGCC staff continues to work with Williams to process 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 94 APDs submitted by Williams for the increased well density area.

Since the August 2002 hearing, the COGCC has received no new APDs for the 20-acre infill area. 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.

III. SOUTHEAST COLORADO

® Raton Basin Project

Laboratory values for gas and water samples in the Raton Basin project are being quality checked before incorporation into the COGCC web site. The gas composition will be normalized and cation and anion values will be balanced.

IV. SOUTHWEST COLORADO

Next GORT Meeting

The next GORT meeting has been schedule for October 18, 2002. The meeting will be held at the La Plata County Fairgrounds in the Lightner Room. The meeting will start at 8:30 AM and last until approximately 11:00 AM.

La Plata County Impact Report

The draft La Plata County Impact Report ("CIR") was released on July 16, 2002. The purpose of the CIR is to evaluate and identify possible amendments to the La Plata County Land Use Code that could be employed to minimized conflicts between residential land use and development of natural gas. La Plata County is developing the CIR with a grant from the Colorado Department of Local Affairs. Greystone Environmental Consultants prepared the report.

COGCC staff has reviewed the report and our [comments](#) are attached. One of the goals of the report was to determine the socioeconomic impact of the new Fruitland Coal wells that could be drilled under the COGCC increased well density order issued in July of 2000. In staff's opinion, the report did not adequately address the financial benefits of the additional development for La Plata County. Staff has offered its assistance to La Plata County to determine the additional revenue projections that will be generated for the county by these new wells.

V. ENVIRONMENTAL ISSUES

.. Emergency Beneficial Use Of Produced Water Granted By District II State Engineer

Steve Witte, Division Engineer has approved the emergency use of produced water from gas wells operated by Petroglyph Operating Company in Huerfano County. The primary source of water has gone dry for the Willis subdivision east of La Veta, near Walsenburg. The produced water will be put to non-potable uses such as bathing. The average Total Dissolved Solids of the produced water is 850. Steve's justification ([page 1](#), [page 2](#)) is attached.

.. COGCC Annual Report to the Water Quality Control Commission ("WQCC")

COGCC staff made the annual presentation to the WQCC during the September 9, 2002 hearing. The report is available on our website at www.cogcc.state.co.us/library/WQCC02RPT.pdf

.. 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 last joint meeting was held on March 12, 2002. The next meeting will be scheduled sometime this fall, after the WQCD Director's position has been filled.

.. Rule Making Proposed to the WQCC

In an ongoing program to resolve discrepancies between the EPA requirements for UIC programs and the WQCC standards and classification for ground water, Loren Avis, Debbie Baldwin, and Ed DiMatteo continue to work with staff from both agencies.

A new rule has been proposed that would apply to the Lansing Formation in the Campo Field in Baca County (proposed WQCC Rule 42.7 (51)). COGCC staff will present the proposed rule at the WQCC hearing scheduled to begin at 1:00 p.m. on September 9, 2002 in the Florence Sabin Conference Room of the Colorado Department of Public Health and Environment (CDPHE), 4300 Cherry Creek Drive South, Denver.

VI. ORGANIZATION

® Staff Organization

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

We welcome Carol Rensel let as our new Data Specialist; she begins work with the COGCC today.

VII. PLANNING/ADMINISTRATION/OTHER

® Rulemaking to Raise Mill Levy

Because of the recent significant drop in Colorado gas prices, a rulemaking hearing has been noticed for today's hearing to raise the mill levy effective for the July, August, and September 2002 quarter for which payment is due in November 2002. Current projections (which will be finalized at the time of the rulemaking) indicate the levy rate will need to be increased from 0.8 mills to 1.1 mills. Without the mill levy increase, revenues would be insufficient to fund COGCC operations.

.. COGCC FY 03-04 Budget Change Requests

The following are the three FY 03-04 Budget Change Requests for Severance Tax funding that have been submitted by the COGCC:

1. **Asset Management Plan.** This request is for \$70,744 from the Severance Tax Operation Account to meet State and Department standards requiring that an asset management plan be implemented to meet technology changes on a regular basis. Increased customer demand for Internet services requires COGCC to continue to improve its applications and upgrade existing hardware and software applications.
2. **Remote Staff Decision Support.** This request is for \$101,955 from the Severance Tax Operational Account to provide 15 field workstations (laptop computers with COGIS database) for COGCC field engineers, inspectors and environmental protection specialists. It also includes \$23,545 in FY 05 and thereafter for ongoing maintenance. The workstations will allow the field staff to query the database for detailed well information, inspection history, and violations of all existing oil and gas operations in an inspector's area. The package will include Global Positioning System (GPS) to identify locations that have been reclaimed and facilities that are incorrectly located along with digital cameras to facilitate the exchange and storage of pictures showing actual field conditions.
3. **Internet Enabled Form Processor.** This request is for \$372,900 from the Severance Tax Operation Account to convert the existing form processor to an Internet programming language and complete the forms that have not been created in any form processor. This will allow all COGCC forms to be available on the Internet and provide the functionality for an automated workflow for staff review and approval. Allowing COGCC to input data on the Internet and run preliminary quality control edits will decrease turnaround time for approvals and data availability by eliminating data entry delays at the COGCC. This will also allow for more rapid review and approval by technical staff of forms that are not currently in the

automated workflow.

The change requests were submitted to the MEGA Board at their June 18 meeting in Glenwood Springs. The Board voted unanimously in favor of recommending approval of all three change requests. The COGCC met with the Department of Natural Resources Executive Director's Office on July 24 to review the Budget Change Requests.

Two of the three change requests have made it to the Department of Natural Resources priority list. The Remote Staff Decision Support Change Request is Department Priority 14 and the Internet Enabled Form Processor Change Request is Department Priority 15. The two change requests have received approval by the Office of State Planning and Budgeting. The Department of Natural Resources is in the process of finalizing its total package of budget change requests.

Colorado State Fair – COGCC Participation

The COGCC participated along with the other Department of Natural Resources divisions in providing exhibits in the Natural Resources building for the August 17- September 1 Colorado State Fair in Pueblo. The COGCC exhibit consisted of a large format display with an oil and gas well map of Colorado and other informational material, a working progressive cavity pump donated by Evergreen Resources, a six foot tall working scale model drilling rig donated by Baker Hughes INTEQ, and a working scale model rod pumping unit, a drill bit, and reservoir rock cores donated by Dr. Craig Van Kirk and the Colorado School of Mines Petroleum Engineering Department. The donations for the COGCC exhibit were greatly appreciated.

Several COGCC staff members volunteered their time and energy to staff the COGCC State Fair Exhibit and explain oil and gas operations in Colorado to literally thousands of members of the public. These efforts were greatly appreciated.

® NGPA Well Determinations

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 "General" then "Natural Gas Category Determination". Additional information available on the website includes a list of tight formation area designations and a list of all previously approved well determinations provided by the FERC. To date, 586 applications have been filed and processed, with 511 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/general/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.

October Hearing Docket

A [preliminary docket](#) for the October 28-29, 2002 hearing has been provided. Hearing dockets are updated on the COGCC website by clicking on "Hearings", then "2002 Hearing Schedules, Dockets, Agendas and Minutes".

Effective with the July 2002 hearing docket, hearing applications may be viewed online by opening the docket, then by clicking on the Docket Number. Once issued, the final Commission Order will be available by clicking on the Cause Number on the hearing docket.

Data Processing and Staff Workload

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. Additionally, the 1999 production reporting requirements significantly changed the number of lines of data submitted. 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.

Production data is complete through 2000. Not all of the 2001 data has been processed due to a vacant position and the recent hiring freeze. The position is expected to be filled by the end of September 2002, at which time the backlog of reports will begin to be processed.

Drilling permits have the highest priority and will continue to be processed within the timeframes set up in the rules and regulations. Operators are encouraged to submit complete applications prior to end of the 30-day surface owner notice period to ensure that permits may be approved and available at the end of the notification holding period. Other forms are processed in the order in which they are received.

Monthly Report of Operations - Form 7

Since January 1999 production reporting (Monthly Report of Operations, Form 7) has been submitted by well by completed zone. This was a change from the previous format of reporting by lease where multiple formations and wells were reported as a single entity.

Beginning in January 2002, all production reports are to be submitted either in hardcopy on the new Form 7 (revision 10/22/01) or electronically. The new Form 7 can be identified by the four black squares on the corners of the form. The squares are reference data blocks which are utilized by a software package to optically resize the form to allow for computer conversion of the data; this will eliminate manual data entry of paper forms. The COGCC website has these forms in PDF and JPG formats for downloading and printing. The form is letter size (8.5" x 11") and the PDF form can be completed on a computer and then printed. Adobe Systems, Inc. sells Acrobat Approval (<http://www.adobe.com/store/products/acrapproval.html>) for \$39. This application allows the data to be saved to a computer.

There are currently more than 80 operators reporting electronically, accounting for 80.6% of the production reported in October 2000. This is an increase of twenty operators, or 7.3% of production reports, since June 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.efrms@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/forms.html> in the "instructions" column, or from the COGCC office. Questions should be directed to Sharon Tansey at (303) 894-2100 x128.

A production reporting application for Internet filing of the Monthly Report of Operations is currently being tested and should soon be available as procedures and documentation are finalized.

Conservation Levy-Form 8

The current Conservation Levy rate is set at eight-tenths mill (\$0.0008) per dollar. Beginning with the third quarter of 2001, Levy is filed on a new form and reported by operator, rather than on a lease basis as previously reported. The new form and the electronic reporting format are available for download from the web at <http://cogcc.state.co.us/forms.html>. Please contact Sharon Tansey at (303) 894-2100 x128 with questions concerning new format requirements.

Colorado Oil and Gas Information System ("COGIS")

The COGCC information system, 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, including well logs and oversize hearing exhibits.

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 and although this will be a long-term project, the results will be well worth the effort.

Geographic Information Systems ("GIS")

New tools are available that expand the functionality of the GIS for the end user. One tool allows the user to add points, lines, polygons, symbols and text to the viewed map. The user can then save their work to their hard disk and re-access it later. The other tool allows the user to select exactly which layers they wish to view on the selected map area. They can then save that setup on their hard disk and call it up later with the same settings. An example of how this could be used is to send the setup file to a partner with the selected layers and notes. The partner could then go to the COGCC web site, use the map tools to load the new setup file and view their partner's work. These tools are new; please report any problems to Jim Milne at james.milne@state.co.us or 303-894-2100 x117 so they can be corrected.

Imaging

All of the COGCC paper records (well, pits, hearings, and operator) are available for review on the Internet. The best way to navigate to these records is through the online queries for wells, pits, and operators then select the "doc" icon. Hearing files may be selected from the imaging page by using the order number in the format "112-2".

The division's open hole well log electronic imaging project approved for the fiscal year 2000/2001 budget is completed. The goal of this project was to image all of the historically submitted well logs. A total of 100,707 well logs have been scanned.

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 is best to save the document to your hard disk and then open it later. Even with the performance gains achieved in the last few months, the well log files download slowly because of their large size.

COGCC on the Internet

The COGCC homepage has a new design that provides improved navigation and information organization. We hope that the changes have not caused any inconvenience. We will continue to make changes so that the site is more functional and intuitive in its accessibility.

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.

Image Indexing and Data Cleanup

The goal of Image Indexing is to go through all imaged documents to input the name and receipt date of each document for easy selection of a desired document image. This will greatly enhance the functionality and decrease the time needed to select any document image. Over 61,000 of the 63,000 well files have been fully indexed and rescanned where necessary. There are currently five people working full time on the project; the project is expected to be completed by the end of the month.

The goal of Data Cleanup is to review well file records to verify and update all records in the

new database supplying information that was not migrated or available in the old database system. The project is fully staffed with four people editing and reviewing records. Due to intensive training and increasing comfort with the data and the software application, productivity levels have begun to increase with over 5,000 wells reviewed and updated.

Local Government Information

Letters (approximately 300) were sent in August, 2001 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, 117 forms (43 counties and 74 cities) have been returned with 102 (42 counties and 60 cities) wishing to participate as Local Governmental Designees. To access the local government information, go to the COGCC website and click on the "Local Government" button. At the Local Government Search screen, a local government name or a legal description 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.

VIII. VARIANCES

BP America Production Company was granted a Rule 502.b. variance to the unit boundary setback requirements established by Order No. 112-157 for the Phillips, Peter Gas Unit A #2 Well. This is to be a Fruitland coal test in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 33 North, Range 9 West. This exception location was requested in order to utilize an existing well pad and is approximately 180 feet east of the drilling window.

WesternGeco was granted a Rule 502.b. variance for a six-month time extension of the approved Form 20, Notice of Intent to Conduct Seismic Operations for the North Mail Trail 3D Project in Montezuma County. This variance was requested due to a delay in starting the project because of an extended federal government approval process.

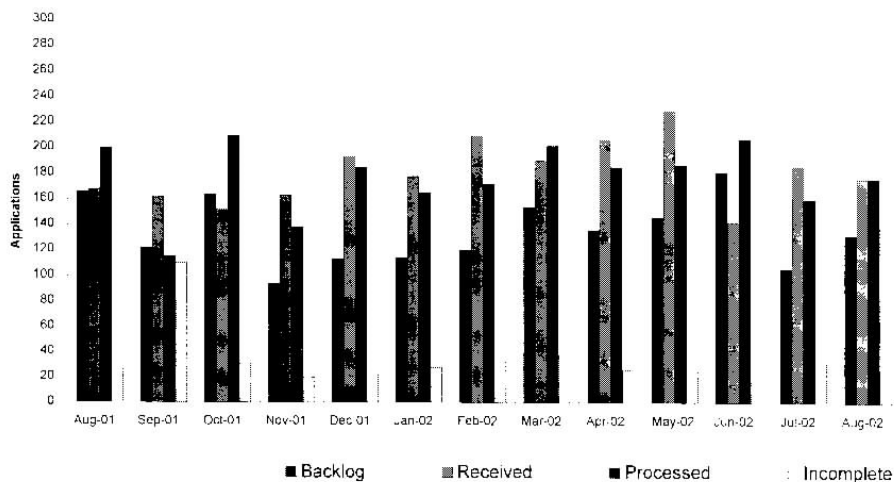
Encana Oil & Gas Inc. was granted a Rule 303.j(2) variance to build a multi-well site and commence drilling in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 7, Township 7 South, Range 92 West before the end of the 7-day comment period for Garfield County. The Local Governmental Designee was notified and has indicated agreement with the location and drilling.

Colorado Oil & Gas Conservation Commission

Monthly Breakout of Drilling and Recompletion Permits

	Backlog	Received	Processed	Withdrawn	Rejected	Incomplete	In-Process	Remaining
Drilling								
Aug-01	155	151	178	12	0	25	92	116
Sep-01	116	149	109	5	0	108	43	151
Oct-01	151	144	202	11	0	30	52	82
Nov-01	82	155	122	6	0	19	90	109
Dec-01	109	188	182	7	0	22	86	108
Jan-02	108	175	160	7	0	26	90	116
Feb-02	116	204	164	4	0	32	120	152
Mar-02	152	180	194	6	0	38	94	132
Apr-02	132	195	178	10	0	26	115	141
May-02	141	203	172	6	0	24	142	166
Jun-02	166	126	182	9	0	16	85	101
Jul-02	101	166	140	0	0	33	94	127
Aug-02	127	169	174	3	0	16	103	119
Recompletion								
Aug-01	11	17	22	0	0	3	3	6
Sep-01	6	13	6	0	0	2	11	13
Oct-01	13	8	8	1	0	1	11	12
Nov-01	12	8	16	0	0	1	3	4
Dec-01	4	5	3	0	0	0	6	6
Jan-02	6	3	5	0	0	2	2	4
Feb-02	4	6	8	0	0	1	1	2
Mar-02	2	10	8	0	0	0	4	4
Apr-02	4	12	9	2	0	0	5	5
May-02	5	26	15	1	0	1	14	15
Jun-02	15	16	25	1	0	1	4	5
Jul-02	5	20	20	0	0	0	5	5
Aug-02	5	7	2	0	0	10	0	10
Total								
Aug-01	166	168	200	12	0	28	95	122
Sep-01	122	162	115	5	0	110	54	164
Oct-01	164	152	210	12	0	31	63	94
Nov-01	94	163	138	6	0	20	93	113
Dec-01	113	193	185	7	0	22	92	114
Jan-02	114	178	165	7	0	28	92	120
Feb-02	120	210	172	4	0	33	121	154
Mar-02	154	190	202	6	0	38	98	136
Apr-02	136	207	185	12	0	26	120	146
May-02	146	229	187	7	0	25	156	181
Jun-02	181	142	207	10	0	17	89	106
Jul-02	106	186	160	0	0	33	99	132
Aug-02	132	176	176	3	0	26	103	129

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

Page 1 of 2

YEAR	MO	Baker - Hughes rig count	Permits				Injection				Active Wells	Unedited Historic Records	Public Visits			Well Oper Change
			Drilling Apvd	Drilling Rcvd	Recompletion Apvd	Recompletion Rcvd	Injection Apvd	Injection Rcvd	Pits Apvd	Pits Rcvd			Data	Office	Internet	
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	291
	FEB	17	114	152	16	22	2	2	16	15			123	126	3432	245
	MAR	18	116	130	17	12	1	1	5	17			126	172	3611	192
	APR	18	103	133	4	3	2	2	5	54	21989		108	169	3219	357
	MAY	17	129	128	14	17	0	1	71	34	22098		131	218	3664	158
	JUN	16	122	198	14	20	0	0	18	10	22103		106	117	3391	394
	JUL	19	148	123	9	6	4	8	35	30	22190		100	172	3384	225
	AUG	16	107	154	7	16	1	0	22	40	22247		103	75	3759	198
	SEP	16	138	140	37	34	1	4	51	37	22175		66	208	4941	348
	OCT	19	155	145	11	13	0	0	42	22	22224		99	205	4863	294
	NOV	22	135	181	7	10	1	1	51	34			82	155	4704	183
	DEC	24	191	162	9	14	0	2	9	6	22228		80	135	4143	217
2000	Total		1529	1745	152	174	12	21	328	305			1264	1844	46136	3102
2001	JAN	26	203	217	48	40	5	2	26	8	22240		89	136	6974	280
	FEB	29	193	195	5	10	0	0	16	18	22225		75	113	4900	492
	MAR	26	192	137	10	8	0	2	3	41	22487		78	107	6448	203
	APR	32	242	275	16	12	1	2	4	5	22714		87	143	6110	698
	MAY	36	241	238	8	7	0	2	0	7			72	157	6693	534
	JUN	36	194	257	12	14	2	3	10	49	22712		65	106	6090	649
	JUL	35	216	182	8	9	4	2	23	3	22742		81	116	10473	790
	AUG	37	177	151	22	17	3	4	25	18			67	75	12727	1338
	SEP	38	108	149	6	13	3	0	83	27	22795		60	69	10416	169
	OCT	36	201	144	8	8	3	3	2	3	22824		84	105	11943	208
	NOV	33	123	155	16	8	0	0	18	24			63	78	11542	169
	DEC	24	183	188	3	5	1	2	25	43	22879		104	101	10508	203
2001	Total		2273	2288	162	151	22	22	235	246			925	1306	104824	5733
2002	JAN	25	161	175	3	4	2	0	43	27	22873		73	95	11673	1052
	FEB	27	164	204	5	3	2	1	9	25	22911		76	68	13679	195
	MAR	25	194	180	8	11	0	2	31	11	22930		58	55	13184	177
	APR	28	176	195	9	12	1	4	2	26	23040		65	67	12935	715
	MAY	33	172	197	15	26	5	6	41	10	23098		64	90	14492	221
	JUN	34	182	126	25	16	0	1	1	4	23156		57	69	13747	139
	JUL	31	140	166	20	20	2	1	7	30	23242		51	105	14801	180
	AUG	30	174	169	2	7	0	0	35	11	23273		50	71	15554	239
2002	Total		1363	1412	87	99	12	15	169	144			494	620	110065	2918

Apvd - Approved; Rcvd - Received; Ind - Individual; Blnk - Blanket; Apns - Application for Hearing; NOAV - Notice of Alleged Violation; AOC - Administrative Order of Consent; OIV - Order Finding Violation; Crpt - Complaint; Comp - Completed

Colorado Oil Gas Conservation Commission
Monthly Statistics

Page 2 of 2

YEAR	MO	Bonds														Remediation				Field Insp
		Operators		Release		Replace	Claim		Hearings		Violations				Cmplt	Spills	Projects			
		New	Inactive	Ind.	Bknt		Ind.	Bknt	Apps.	Order	NOAV	AOC	OFV	Rcvd			Comp			
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	8	36	5	0	782		
	FEB	7	5	7	0	6	0	0	1	3	10	6	4	38	22	9	2	731		
	MAR	4	6	6	2	3	0	0	5	2	15	0	0	24	27	17	10	638		
	APR	5	12	11	4	2	0	0	6	4	15	0	0	29	22	12	8	674		
	MAY	7	11	10	4	2	0	0	1	1	45	0	0	27	22	9	6	846		
	JUN	5	8	5	5	7	0	0	1	1	39	0	0	41	21	12	16	413		
	JUL	10	7	6	3	5	0	0	5	7	26	2	0	11	26	18	11	739		
	AUG	7	10	8	2	7	0	0	0	0	26	0	0	9	23	14	15	653		
	SEP	10	7	3	7	2	0	0	0	0	15	2	0	10	17	20	31	593		
	OCT	7	10	4	7	4	0	0	14	7	6	2	2	23	20	15	20	489		
	NOV	6	5	2	5	6	1	0	NA	NA	8	NA	NA	16	34	12	13	658		
	DEC	4	0	0	0	6	0	0	13	9	5	1	0	10	13	2	8	481		
2000	Total	76	89	65	45	55	2	0	47	35	244	13	7	246	283	21	140	7697		
2001	JAN	7	8	6	3	10	0	0	12	8	14	1	0	10	35	15	8	718		
	FEB	6	2	3	1	3	1	0	2	4	9	1	0	10	7	4	7	793		
	MAR	5	3	6	0	9	0	0	2	3	4	1	0	9	11	12	3	854		
	APR	8	7	2	0	12	0	0	9	7	57	2	0	14	14	4	6	542		
	MAY	7	4	2	4	8	0	1	1	3	7	0	2	30	17	13	19	760		
	JUN	7	9	0	5	4	0	0	NA	NA	9	NA	NA	17	17	8	7	414		
	JUL	5	2	1	2	14	0	0	9	7	15	4	0	13	16	6	10	578		
	AUG	4	6	1	3	10	0	0	4	3	25	0	0	45	20	3	3	761		
	SEP	10	8	7	4	3	0	0	2	NA	40	0	0	14	20	8	10	309		
	OCT	5	6	5	3	9	0	0	5	4	42	0	0	22	17	7	11	717		
	NOV	5	0	0	0	12	0	0	NA	NA	14	NA	NA	20	12	6	7	408		
	DEC	8	2	0	3	10	1	0	7	1	17	0	0	13	16	1	8	385		
2001	Total	77	57	33	28	104	2	1	53	40	253	9	2	217	202	87	99	7239		
2002	JAN	7	9	3	3	6	0	0	6	7	13	1	2	15	20	3	0	397		
	FEB	10	4	1	0	5	0	0	6	4	17	0	1	11	27	1	6	444		
	MAR	6	8	3	3	10	0	0	3	2	18	0	2	5	31	4	5	570		
	APR	7	10	8	3	10	1	0	5	4	26	0	0	8	11	0	10	346		
	MAY	5	11	6	14	6	0	0	NA	NA	22	NA	NA	12	19	1	7	735		
	JUN	5	12	3	10	8	0	1	6	4	14	0	1	5	19	0	6	776		
	JUL	2	6	2	7	12	1	0	6	5	20	2	0	16	12	1	3	773		
	AUG	6	11	6	5	8	0	0	5	4	69	1	1	10	10	0	2	398		
2002	Total	48	71	32	45	65	2	1	37	30	199	4	7	82	149	10	39	4439		

Awed - Approved, Rcvd - Received, Ind - Individual, Bknt - Bankrupt, Apps - Application for Hearing, NOAV - Notice of Alleged Violation, AOC - Administrative Order of Consent, OFV - Order Finding Violation, Cmplt - Compliant, Comp - Completed

**NOTICE OF THE OCTOBER 2ND MEETING OF THE
NORTHWEST COLORADO OIL AND GAS FORUM
TO BE HELD IN RANGELY**

(RSVP Required)

The next meeting of the Forum, which was originally scheduled for September 12, 2002, HAS BEEN RE-SCHEDULED as follows:

Date: Wednesday, October 2, 2002
Time: 10:00 a.m. - 2:00 p.m.
Location: ChevronTexaco Rangely Office
100 Chevron Road
Rangely, Colorado
RSVP: **(Required!!) By September 20, 2002**
RSVP to Nicole Richardson/COGCC
Phone: (303) 894-2100 x113
e-mail: nicole.richardson@state.co.us

ChevronTexaco has offered to host the October 2 meeting, including an informational presentation and a tour of the Rangely Field facilities, at their field office facility. **RSVP's are required so that plans can be made for meeting accommodations and lunches.**

Other tentative agenda items include updates on:

- “ Northwest Colorado Oil and Gas Activity
- “ BLM Oil and Gas Related Activities
- “ Other Issues of Northwest Colorado Local Concern Regarding Oil and Gas Activities

The Northwest Colorado Oil and Gas Team is co-chaired by Brian Macke, Deputy Director, Colorado Oil and Gas Conservation Commission and Larry McCown, Garfield County Commissioner. The forum is made up of representatives of federal, state and local government, the oil and gas industry and concerned citizens. Please call Brian Macke at (303) 894-2100 x122 to suggest additional agenda items.

09.15.02 Makeup of oil and gas panel being scrutinized

By MICHAEL C. BENDER *The Daily Sentinel*

The constant traffic of trucks and heavy machinery kicking up dust on Carl Roberts' Rulison farm convinced him it was time to move.

"After about five years, the roads around my farm became so inundated with the (natural) gas traffic, I mean 24-hour-a-day, seven-days-a-week, that we lost our rural lifestyle," Roberts said. "I looked at some other places to live and saw there hadn't been any permits to drill in Delta County for 12 years. I thought we could get away from the whole gas-drilling thing."

While living in Rulison, a tiny village along the Colorado River about 50 miles east of Grand Junction, Roberts was active in the Grand Valley Citizens Alliance, a local environmental group that has battled over the makeup and mission of the state Oil and Gas Conservation Commission for five years.

Now in Hotchkiss, a town of about 1,000 people and home to the Delta County Fair, Roberts runs an apple orchard with his wife and is a member of the newly created Grand Mesa Citizens Alliance — the group that recently helped persuade the Delta County commissioners to deny four out of five permits for exploratory gas wells. The group is also taking up the task of changing the mission of the state gas commission.

"I started hearing rumors in the wind about gas wells in Delta County, started scratching around and before I knew it I was involved in the Grand Mesa Citizens Alliance," he said.

For the 49-year-old retired horseshoe cobbler, fighting multimillion dollar energy companies is often a David-vs.-Goliath battle. So it didn't surprise him last weekend when the chief executive of the state, Gov. Bill Owens — a former oil and gas lobbyist — said he didn't know the makeup of the oil and gas commission.

"I was amazed, but not that surprised, that he had the audacity to say that he didn't know the makeup of the (state) oil and gas commission," Roberts said. "I thought he'd be more frank about his own ties to the industry."

At the first gubernatorial debate of the 2002 election season last weekend, Owens was asked by *The Daily Sentinel* whether he thought the makeup of the Oil and Gas Conservation Commission should be re-examined after the Delta County debacle.

The county commissioners' denial of the Gunnison Energy Corp. permits conflicted with the state commission's approval and was the latest in a long line of conflicts between local authorities and state regulatory boards. The county is suing the state commission in Denver District Court over its right to participate in the permit process.

Owens, who as governor appoints the state commissioners, said he didn't know what the makeup of the state commission was, but still appeared to support its decision.

"I don't know actually how many representatives there are on the oil and gas commission from the industry," Owens said. "I think that citizen representatives make up a majority of the commission, but that's something I'd like to know more about."

Owens said the statewide commission serves an important purpose.

"If you have 64 different sets of regulations involving this industry and many others, you have an unworkable (set of) tax laws that nobody in the public sector or even the private sector can understand," Owens said. "And so dating back for more than 50 years, Colorado has had a set of regulations on the oil industry that are statewide in scope, not local-government oriented."

Owens has reviewed the makeup of the commission and maintains four of the seven commissioners are not tied to the industry, spokesman Dan Hopkins said. The governor, however, has not examined whether that makeup should be changed, Hopkins said.

But an examination of the commissioners' past shows all but one have had or continue to have extensive ties to the

industry.

Four members — Tom Ann Casey, Peter M. Mueller, Stephen A. Sonnenberg and Michael W. Klish — draw salaries that depend on the oil and gas industry.

Two members — Brian Cree and J. Thomas Reagan — are former employees of energy companies.

Just one — Washington County farmer Lynn J. Shook — has no current or past ties to the oil or gas industry.

Department of Natural Resources Executive Director Greg Walcher said that four of the seven — Shook, Cree, Reagan and Klish — do not work for the industry. State law requires that at least two members are not industry representatives.

Walcher praised the current commission for "pushing the envelope" on controversial issues such as requiring directional drilling from gas companies.

"The people on the commission are not the problem," Walcher said. "Looking at several of the problems that led to the conflicts in Delta and La Plata and Garfield counties, the problem in each of those cases has nothing to do with who is on the commission. The problem is how to strike balance between the owner of the surface rights, the owner of the mineral rights and the public in general.

"I don't think you solve that problem by appointing a bunch of people to regulate an industry they don't understand."

For the past five years, Grand Valley Citizens Alliance and Western Colorado Congress have been unsuccessful in their attempts to lobby for a bill that would prevent any person employed by or contracting with the oil and gas industry from serving as commissioner. That stipulation is included in state law for several other state regulatory commissions, including the Public Utilities Commission.

In the coming session, however, that bill language will be revamped.

"We've realized that even if a person was appointed to the commission and doesn't have any financial ties to the industry, they can still have 100 percent interest in the industry," GVCA President Jane Hines Broderick said. "So we've taken a step back and looked at new language that doesn't focus on strictly the makeup of the commission."

Instead, language will focus on strengthening the commission's mission to protect public health, welfare and safety. It could also include authority-sharing provisions, Hines Broderick said, so that the state commission would approve feasibility issues and county boards would approve the projects under local land-use regulations.

Owens' claim that he did not know the makeup of the oil and gas commission baffled many in Garfield and Delta counties as well as his Democratic gubernatorial opponent.

"It's hard for me to believe that with him being a lobbyist for the oil and gas industry for all those years, I think he would know that commission by heart," Democratic gubernatorial candidate Rollie Heath said. "He is more than aware of the controversy in Delta County and probably wanted to disengage himself from all that."

Before becoming a state legislator in 1983, Owens was the state director of the Rocky Mountain Oil and Gas Association. He held the position and continued to draw a paycheck from the group until he ran for state treasurer in 1994. As a legislator, Owens voted with petroleum interests 52 of 54 times.

Owens' ties to the oil and gas industry became an issue in his 1998 gubernatorial campaign when his Democratic opponent, Gail Schoettler, questioned him about his legislative record.

"I have never participated in oil and gas issues as a legislator," Owens said during a 1998 debate.

Schoettler pressed the issue, but Owens has maintained there was not a conflict of interest.

Owens now takes credit for a 2001 report that found Colorado has more stringent oil and gas regulations than neighboring states Wyoming, Utah and New Mexico.

"I'm proud of what Colorado has done in terms of strengthening oil and gas regulations," Owens said. "A study ... has found that Colorado's system of oil and gas regulation is more stringent than any of our neighboring states in terms of

representing the rights of landowners and representing the rights of the public."

The report found Colorado has established more surface owner rights and public involvement than other states. The report credits a bill passed in 1994 that enacted several new rules and regulations that are not addressed in other states, including surface owner protection and high density rules.

Michael C. Bender can be reached via e-mail at mbender@gjds.com.

Colorado Oil & Gas Conservation Commission
Staff Comments on the
La Plata County Impact Report (Draft 2 June 2002)

1. In the first paragraph in Section 1.3, the report states that as many as 250 additional wells may be drilled in La Plata County. Since 2000, there have been 328 drilling permits issued in La Plata County. How many of these 250 wells have already been drilled? If a large majority of these wells have already been drilled, should the focus of the CIR be modified?
2. Suggest that the two areas defined on pages 1-1&2 be constantly referred to as the NSJB CBM Project Area and the CIR Study Area. This should be clarified on Figs. 1-1 and 1-2. Fig. 1-3 is very clear and the area nomenclature should be continued throughout the report.
3. On page 3-9, under Surface Rights vs. Mineral Rights, operators shall provide financial assurance to the Commission, prior to commencing any operations with heavy equipment, to protect surface owners who are not parties to a lease, surface use or other relevant agreement with the operator from unreasonable crop loss or land damage caused by such operations (COGCC Rule 703).
4. On page 3-11, under statewide drilling rules, the setbacks apply only to wells producing from the same formation. This allows multiple wells completed in different formations to be located on the same pad. The setbacks are from the 320-acre drilling and spacing unit, not the lease. The setbacks from the spacing unit boundaries form the drilling window.
5. On page 3-11, the production tanks and associated on-site production equipment setback is 350'. If requested by the LGD, production tanks shall be 500' from an educational facility, assembly building, hospital, nursing home, board and care facility, jail or designated outside activity area.
6. In Section 3.1.4.1, the paragraph begins by saying the "study area". Is this the NSJB CBM Project Area or the CIR Study Area. If this is the CIR Study Area, it does not appear from Fig. 3-5 that minerals are predominately owned by the federal government. Again, the "study area" term is confusing about its meaning.
7. In Section 3.6.2.2, in the first sentence of the last paragraph, suggest adding "water" in front of wells to make it clear that the discussion is on water wells in the area.
8. In Section 5.2.5, since approximately 30% of the property taxes are generated by the assessed value of gas production, shouldn't a correlation between revenue and production, and revenue and assessed value be investigated?
9. On page 5-18, the 5th bullet point, the units aren't correct and the gas production assumption appears too high. The abbreviation for million cubic feet is mmcf. The abbreviation for thousand cubic feet is mcf. The gas production assumption of 750,000 mcf for 30 years is too high. This assumption would yield a cumulative production value of 22.5 BCF. A more appropriate cumulative production value would be from 2.0 – 6.0 BCF.
10. Since oil and gas revenues make up a significant portion of the total property taxes of La Plata County, it would seem warranted to more fully evaluate the economic impact of the 194 new wells and a more rigorous estimation of those property revenues should be attempted. The estimate would include estimated gas prices, production profiles and time delays to put the wells on production. COGCC staff would be available to assist the county in developing this estimate. This estimate would be especially helpful in the discussion on page 5-25 and in Section 6.3.5.2.
11. At the top of page 5-71 the setback distance should be 350' unless requested by the local governmental designee.
12. At the top of page 6-8, the correct COGCC Order Number is 112-156.
13. In Section 6.2 gas-related activities regulations are discussed. The first paragraph states the that "various regulatory methods used by counties in Colorado with a moderate to high concentration of oil and gas development" were evaluated. Of the 2056 drilling permits issued by the COGCC during 2001, 146 (7.1%) were in La Plata County, 25 (1.2%) in Adams County, 2 (0.1%) in Arapahoe County, 8 (0.4%) in Archuleta County, 0 in Boulder County, 352 (17.1%) in Garfield County, 27 (1.3%) in Mesa County, and 529 (25.7%) in Weld County. From the drilling permits issued in 2001, there is no significant oil and gas development in Adams County, Arapahoe County, Archuleta County, Boulder County, or Mesa County. Due to the lack of oil and gas activity in these counties, it is unclear how a review of their oil and gas regulations would be beneficial.

There are three additional counties in Colorado where 100 or more drilling permits were issued in 2001. These counties are Las Animas (400 permits – 19.5%), Rio Blanco (176 permits – 8.6%), and Yuma (206 permits – 10.0%). A review of these counties' oil and gas regulations would be a better comparison for La Plata County's rules.

14. On page 6-13, in the last paragraph of Section 6.2, the report states that Weld County is the only county in Colorado that has established setbacks for residential and commercial areas from existing or producing oil and gas facilities. This is not true. The City of Greeley is the only local government that has established setbacks for residential and commercial areas from existing or producing oil and gas facilities.
15. On page 6-20, by increasing the setbacks to 1000' or ¼ mile, wells may not be able to be drilled and a disadvantage of this would be the restriction of the mineral owner rights and possible litigation.
16. On page 6-22, why define the methane seepage as a geologic hazard to 2 miles? This seems quite excessive and a more realistic discussion starting point should be ¼ mile south of the Fruitland outcrop.
17. On page 6-28, in the discussion on minimum setbacks for new development from existing oil and gas facilities, shouldn't that be included on the county building permits?
18. On page 6-28, in the discussion on increasing the minimum setbacks from new wells, has there been an estimate for the number of wells that could not be drilled because of the new setback restriction? A new increased setback may also restrict the mineral owners' rights.
19. On page 6-32, in Section 6.3.2.1, there is some confusion on how the LGD can participate in the COGCC permit process. COGCC Rule 306.a.(3) states "Local governments which have appointed a local governmental designee and have indicated to the Director a desire for onsite consultation shall be given an opportunity to engage in such consultation concerning the location of roads, production facilities and well sites prior to the commencing of operations with heavy equipment."
COGCC Rule 303.d. requires the Director to supply the LGD with a formal notification of a pending drilling permit. The LGD then has 7 days to comment on the drilling permit and the Director shall take no action on the drilling permit until after the 7 days have expired. The LGD may request an additional 10 days (total 17 days) to provide comments on the proposed drilling permit. The COGCC does not wait until the county regulatory process has been completed to take action on the proposed drilling permit.
20. On page 6-33, under the heading of COGCC Rulemaking Requiring NOS in La Plata County for CBM wells, the COGCC staff would not support this rulemaking. Currently, the COGCC has a goal of processing drilling permits in 30 days. This is the longest approval time of any state oil and gas regulatory body that we are aware of. To lengthen the process another 60 days would not be consistent with our regulatory charge.
21. In Section 6.3.2.4, the distances seem excessive and arbitrary. Some more discussion on the concerns and goals of these additional setbacks seems appropriate.
22. At the bottom of page 6-37, there is discussion of COGCC Rulemaking. As discussed in No. 19 above, the COGCC staff does not support the NOS concept and would not support this rulemaking.
23. In Section 6.3.4.4, COGCC staff would not support this option. On July 8, 1997, a cooperative agreement was executed between the La Plata County Board of Commissioners and the Colorado Oil & Gas Conservation Commission. The purpose of this agreement was to address oil and gas regulatory concerns specific to La Plata County on an interim basis and at the end of one year to seek long term solutions, additional rulemaking, or legislation.
La Plata County elected not to continue the cooperative agreement at the end of the one-year period despite a request to continue the agreement from the Director of the COGCC. In the opinion of the COGCC staff, this option has already been tried and has failed.
24. In Section 6.3.5.1, reference is made to the San Juan Basin. Could the term CIR Study Area be used here for simplicity?
25. In the last bullet point on page 6-52, fences around gas powered equipment should not be manufactured from combustible material.
26. In the noise discussion on page 6-55, the county cannot regulate noise associated with oil and gas regulations (CRS 30-15-401m(11)(B)).
27. In the same section, the COGCC contracted a noise engineer to develop a noise study for La Plata County. This study was completed in 11/98 as part of the La Plata County Cooperative Agreement. Should this be included as a reference in the CIR?
28. In Section 6, could education or additional information be used to minimize impacts of CBM development. Some ideas may include informational brochures, videos, or informational seminars. The County and the COGCC have some existing brochures that may be helpful.

08/02/02 13:24 FAX 719 742 5571

POCI/LA VETA

02

L-31-02 07:24 FROM: DIU 2 DWR

719-544-9800

TO: 7197383996

PAGE: 002/003

STATE OF COLORADO

WATER DIVISION 2
 OFFICE OF THE STATE ENGINEER
 Security Services Building, 310 East Arkansas Suite B
 Pueblo, Co. 81002
 Phone (719) 542-2560
 FAX (719) 544-0900



Bill C. Wynn
 Governor
 Greg Welcher
 Executive Director
 Hal Simpson
 State Engineer
 Steven J. White, P.E.
 Division Engineer

To: Board of County Commissioners

July 30, 2002

Huerfano County, Colorado
 C/o Oress J. DeHerrera, Chairman

From: Steve White, Division Engineer - Division 2

This is written at your request to recap my position regarding the use of water produced from Coal Bed Methane wells under the current drought circumstances as communicated to Rep. Ken Kester and Commissioner DeHerrera through recent telephone conversations.

I was first contacted on July 29, 2002 by Rep. Ken Kester who called from Huerfano County Commissioner Andreatta's home describing a "crisis" associated with the water supply for the Willis Subdivision. As he described the situation to me, the county is willing to haul water from Petroglyph's evaporative disposal pit for use by the 52 homes for non-potable sanitary and hygienic purposes due to the failure of their primary water source. I told him that for the time being I will not take any action to prevent or stop this use of CBM produced water. I then communicated this decision to certain members of my staff, including Water Commissioner Doug Brgoch.

Following receipt of information from Mr. Brgoch who indicated his concern that my intentions were being misconstrued, I contacted Commissioner DeHerrera.

The key points of this discussion were as follows.

- The source of water for which I have given consent is Coal Bed Methane produced water that would otherwise be totally consumed by evaporation from an evaporative disposal pit.
- Any CBM water being discharged to a public stream following detention in a holding pond must be allowed to continue to do so because it is subject to delivery pursuant to the priority system of water right administration.
- The extent of my consent is limited to the period of time during which the current drought precipitated water supply crisis in Huerfano County continues to prevent the resumption of domestic uses from normal water supply sources. Only non-potable sanitary and hygienic purposes were contemplated. Stockwatering, lawn irrigation, car washing, and other miscellaneous uses are beyond the scope of domestic needs in this crisis situation in my estimation.

08/02/02 13:24 FAX 719 742 5571

POCI/LA VETA

03

UL-31-02 07:25 FROM: DIV 2 DWR

719-544-0800

TO: 7197383996

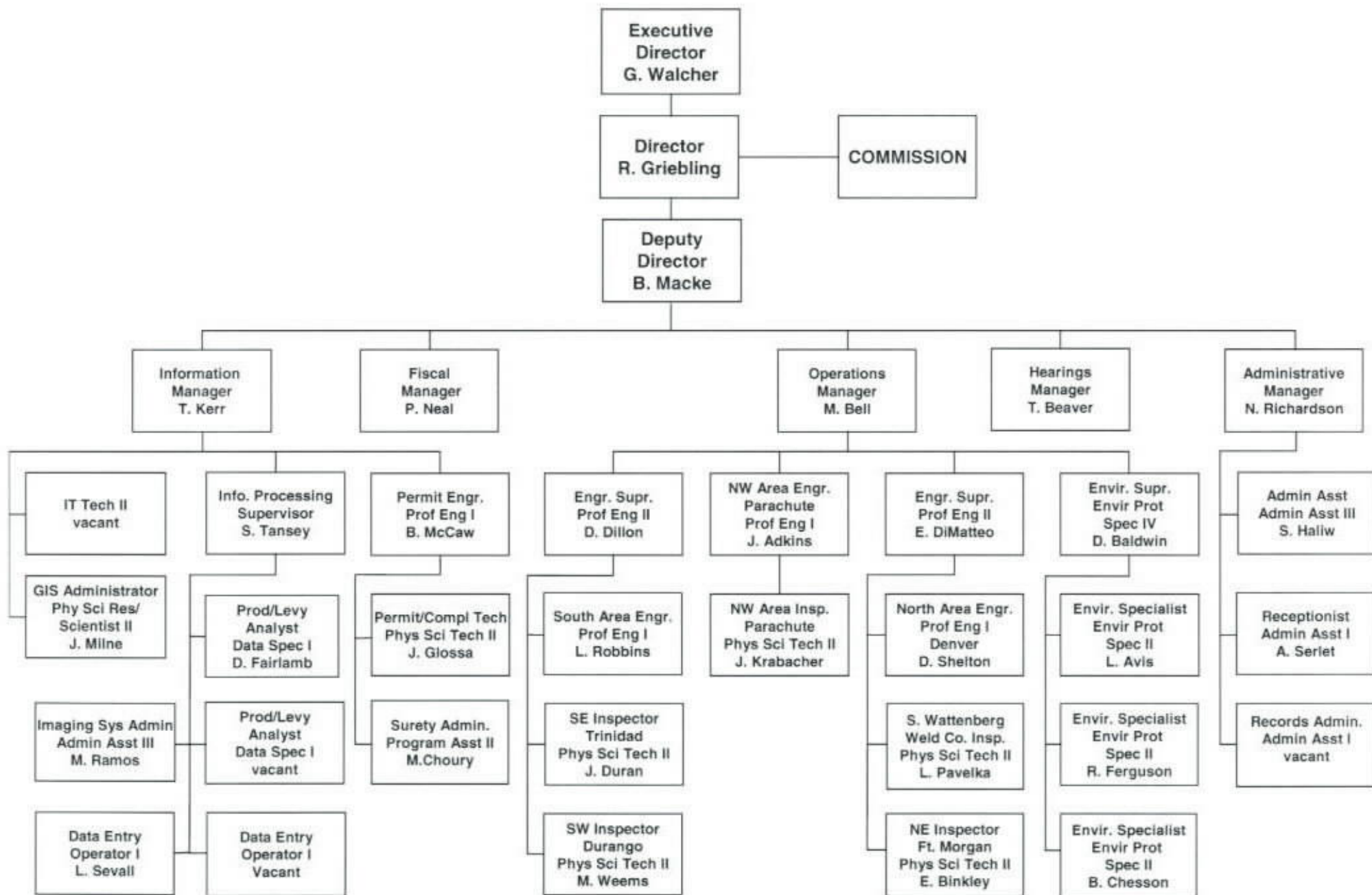
PAGE: 003/003

- * Although only one subdivision was considered initially, other drought affected users may also take of advantage of this allowance, under similar circumstances.
- * Although I did not specifically mention this in either phone conversation because my understanding was that the County would deliver water as a service...I can not condone distribution of CBM water on a "for profit" basis.

I believe that these guidelines are generally consistent with the provisions of the existing Rules and Regulations of the Colorado Oil and Gas Commission which control the disposition of CBM produced water. However, under ordinary circumstances any beneficial usage of CBM produced water is to be accomplished pursuant to applicable state statutes and regulations governing the use and administration of water which would include the necessity of obtaining a tributary or non-tributary water right.

If you have questions please feel free to call me.

COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION



PENALTY PAYMENT STATUS

10/09/02

I. PENALTIES ASSESSED/PAID

Fiscal Year	# of Orders Issued	\$ Amount Assessed	# of Orders Paid	\$ Amount Paid	# of Orders Waived	\$ Amount of Orders Waived	# of Orders Paid through Collections	\$ Amount of Assessed Penalties Later Uncollectable
90-91	4	\$32,300	4	\$32,300	0	\$0	n/a	\$0
91-92	0	\$0	0	\$0	0	\$0	n/a	\$1,500
92-93	6	\$10,000	2	\$6,500	0	\$0	n/a	\$47,608
93-94	12	\$263,608	7	\$105,000	0	\$0	n/a	\$18,247
94-95	10	\$83,817	4	\$21,805	4	\$139,000	n/a	\$0
95-96	29	\$238,250	19	\$154,000	3	\$20,750	n/a	\$0
96-97	13	\$79,500	8	\$29,500	0	\$0	n/a	\$32,750
97-98	30	\$140,500	22	\$74,750	0	\$1,000	n/a	\$2,000
98-99	19	\$74,000	18	\$66,500	2	\$25,000	n/a	\$2,000
99-00	23	\$110,500	12	\$59,460	0	\$3,000	2	\$11,000
00-01	18	\$85,500	16	\$30,500	0	\$6,000	0	\$0
01-02	10	\$38,000	5	\$23,000	0	\$0	0	\$0
02-03	4	\$17,750	2	\$7,750	0	\$0	0	\$0
Totals	178	\$1,173,725	119	\$611,065	9	\$194,750	2	\$115,105

II. DELINQUENT PENALTIES

Order Number	Date Issued	Violating Entity	Penalty Assessed	Violations	Status	Referred to 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	\$2,300	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 11/01/95	Yes
1V-93	11/21/95	Tipps Drilling Co.	\$60,000	Rules 604.a.4., 902.e.&f.	\$30,000 bond claimed 11/96/penalty unpaid/No assets	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	Yes
1V-124	07/01/97	Nerdlihc Company Inc.	\$9,000	Rules 326.b.1., 319.b., 210.b.		Yes
1V-132	11/24/97	Eros, Inc.	\$24,000	Rules 319.b., 326.b.	\$30,000 bond claimed 5/98	Yes
1V-167	01/05/99	Pacific Midland Production	\$1,000	Rule 326.b.	Bond caimed	Yes
1V-170	03/25/99	Allen Oil & Gas, LLC	\$12,000	Rules 904, 905, 603.g., 906, 909.b.(2) &(5), 9	Work to be completed by July 1, 1999.	Yes
1V-175	08/19/99	McCormick Oil & Gas Co.	\$18,000	Rules 1004, 319.b.(3), 326.b., 206., 309.	McCormick in bankruptcy-Bond claimed	Yes
1V-177	08/19/99	Faith Energy Exploration, Inc.	\$3,500	Rules 308A., 308B., 326.b.	Bond Claimed	Yes
1V-191	02/15/00	Cascade Oil	\$1,000	Rule 326.b.(1)	Bond claimed	Yes
1V-202	11/30/00	Robert Ziegler	\$2,000	Rule 326.b.	Bond claimed	Yes
1V-204	12/19/00	Allen Oil & Gas, LLC	\$60,000	Rule 326.b., 324A.a., 904., 905., 906.b.(1), 90	Bond claimed	Yes
1V-211	05/31/01	Sierra Production	\$500	Rule 302.a.		Yes
1V-212	05/31/01	Caprice Oil & Gas Co.	\$500	Rule 302.a.		Yes
1V-218	01/11/02	Rocky Mtn. Operating Co.	\$2,000	Rule 326.b.(1)		Yes
1V-219	01/11/02	Rocky Mtn. Operating Co.	\$1,000	Rule 326.b.(1)		Yes
1V-220	02/25/02	Woosley Oil Company	\$6,000	Rule 326.b.		Yes
1V-221	03/25/02	Domar Oil & Gas, Inc.	\$6,000	Rules 302., 304., 319.b., 709.		Yes
Total penalties pending collecti			\$238,300			

October 2002 Hearing Docket

To view the order, click on the cause number
 For the application, click on the docket number

Docket No.	Cause No.	Applicant/Attorney or Representative	Date Rec'd	Field Formation County	Matter	Remarks
0210-UP-07	112	Chevron USA, Inc/ William Keefe	09/09/2002	Ignacio-Blanco Fruitland Coal La Plata	Request for an order to pool all non-consenting owners in the N1/2 of Section 8U and Lots 1, 2, 3, & 4 of Section 5U, Township 34 North, Range 9 West, N.M.P.M. for the drilling of the Koshak BA-A well.	Cont. to December
0210-SP-13	499 and 232	United States Exploration, Inc./ Peter A. Bjork	09/09/2002	Wattenberg Dakota, "J" Sand Weld	Request for an order to segregate the N1/2 of Section 31, Township 4 North, Range 63 West into two 160 acre drilling and spacing units.	232-236 and 499-74
0210-AW-04	112	Burlington Resources Oil & Gas Company, LP/ Carleton L. Ekberg	09/09/2002	Ignacio-Blanco Mesaverde, Dakota-Morrison La Plata	Request for an order to drill two additional wells in certain drilling and spacing units to the Mesaverde Formation and to change the permitted location for wells to be drilled in certain drilling and spacing units to the Dakota-Morrison Formations in Sections 9-16 and 20-24, Township 32 North, Range 11 West, N.M.P.M.	112-168
0209-SP-12	499 232 407	CFG Energy, Inc./ Michael Morgan	08/07/2002	Wattenberg Dakota, "J" Sand, Codell, Niobrara Weld	Request for an order to establish a 160-acre drilling and spacing unit consisting of the NW 1/4 of Section 3, Township 4 North, Range 63 West, 6th P.M. and to pool all nonconsenting owners.	Cont. to December