

Monthly Staff Report January 6, 2003

I. STATISTICS

Our monthly statistics report is attached ([page 1](#), [page 2](#), [page 3](#)). The total approved Applications for Permit-to-Drill ("APDs") for calendar year 2002 is 2,003. This represents approximately a 12% decrease from the calendar year 2001 APD total 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 Thursday, February 20, 2003 in the Rifle City Hall. Due to the lack of local issues being raised by citizens at recent Forum meetings, the forum participants have agreed to reduce the frequency of meetings during the year. The meetings are now planned to be held in the spring during the Legislative session and in the fall. 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 are newspaper articles about topics of local concern. ("[Wildlife](#)", "[County Funds](#)")

® Delta County Natural Gas Exploration and Development Educational Seminar Series

The Delta County Colorado State University Cooperative Extension office has planned a series of educational seminars that are designed to present objective, science-based information to the local community on natural gas exploration and development. The three seminars, "[Background Information on Natural Gas Development](#)", "[Current Regulatory Framework](#)", and "[Environmental Concerns](#)", are to be held at the Memorial Hall in Hotchkiss, Colorado on January 7, January 21, and February 4, 2003 (all Tuesday nights) from 6:00 p.m. until 9:30 p.m. Participants will include COGCC staff, the Colorado Office of the Attorney General, the Colorado Division of Water Resources, the BLM, the USGS, Delta County, the Colorado Department of Public Health and the Environment, and the US EPA. Attached is a [flyer](#) announcing a tentative seminar agenda.

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

Since the December 2002 hearing, the COGCC has received eight Applications for Permits-to-Drill for the 20-acre infill area. All eight of the APDs are located north of the Colorado River and east of the Town of Parachute. Seven of the APDs are located in Township 6 South, Range 94 West (4 in Section 34, 2 in Section 27, and 1 in Section 26). One APD is located in Section 8, Township 6 South, Range 94 West. Five of the new APDs are for directional wells (4 wells off existing well pads and 1 new well pad) and the three remaining APDs are vertical wells off new well pads.

COGCC staff continues to work closely with Williams permitting staff and Garfield County to ensure that the requirements of the 20-acre density order adopted during the October 2000 hearing are met in an efficient manner. To date, the COGCC has received and reviewed 118 APDs submitted by Williams for the increased well density area.

As part of the Commission's Order for the Williams Production Company 20-acre well density application, the Commissioners required the COGCC Director to prepare and present an assessment report of the first year implementation of the order. The assessment report included a map showing the locations of new wells permitted in the application lands, information regarding the number of onsite inspections conducted, public health, safety, welfare, and environmental issues raised during the onsite inspections, and site specific drilling permit conditions of approval that have been applied, as well as any other relevant information. The assessment report was prepared as a basis for further discussion of the implementation of the order and to decide if any further Commission action in regard to the density application would be necessary. The first year's report was submitted to the Commission on December 31, 2001 and contained the recommendation that a second year implementation review report to be submitted by the Director to the Commission by December 31, 2002. A copy of the final version of the second year assessment report has also been sent to the interested parties, which includes Williams Production Company, the Colorado Oil & Gas Association, Garfield County, the Mackley/Savage Group, and the Grand Valley Citizens Alliance.

Based on two years of evaluation, the staff has the following recommendations:

- The small number of onsites versus APDs submitted for lands subject to the Order are predominately due to location of the proposed wellsites within 500 feet of the outer edge of riparian/wetland vegetation. Given the small number of onsites, the staff does not feel that these onsites create an undue burden on staff time. As a result, staff does not feel that the Commissioners need to modify this requirement at this time.
- The COGCC staff will continue monthly reporting of APD activity in the lands subject to the Order via the Commission's staff report.
- Site specific information on onsites is now being reported on well site field inspections that are available for public review, as are all well file documents, via the COGCC's internet website.
- Interim reclamation on well sites subject to the Order has been successful given the limited opportunity, in both time and moisture, that these well locations have had to exhibit the success of interim reclamation and revegetation. The site-specific reclamation plans prepared for each new well site are successfully providing the processes and procedures necessary to prepare and maintain reclamation success. Further evaluation of well site reclamation is continuing through the Reclamation and Revegetation Success Monitoring Reports, as required under the Order. Given the success of the Order processes (reclamation plans and ongoing reclamation monitoring), staff does not recommend a third year implementation report.

III. NORTHEAST COLORADO

® Crude Oil Fire in Logan County

On December 13, 2002 three crude oil storage tanks and a crude oil treater caught on fire in the West Padroni Field. There were no injuries. All of the oil burned except for a small amount which was contained within the berm. This facility is operated by Advantage Resources.

IV. SOUTHEAST COLORADO

® Raton Basin Project

Water analysis data is being compiled and sent to Tony Gorody at Universal Geoscience Consulting, Inc. Mr. Gorody will evaluate the data, form conclusions and identify areas that need further study and changes in sampling protocol.

V. SOUTHWEST COLORADO

® Amoco vs. Thunderhead Investments

In December of 2000, Amoco submitted a drilling permit for the Neva Dove A No. 2 Well. Because Amoco and the surface owner, Thunderhead Investments, could not reach a surface use agreement, an onsite inspection was conducted on January 27, 2001. This onsite inspection was required under COGCC Order No. 112-156.

During the onsite, staff determined that there were 10 site-specific conditions necessary to prevent and mitigate impacts to public health, safety, and welfare. This included utilizing electric motors, low profile equipment, specific fencing requirements, restricting completion operation hours, cavitation notification requirements, and gas and water flowline routes with as-built surveys. Amoco agreed to these conditions. On March 2, 2001 staff administratively approved the permit. A permit to drill the well was also issued by La Plata County.

On March 2, 2001, Thunderhead, by its attorney, filed with the Commission an application requesting an exception location or a variance to permit the well to be drilled at another location. Amoco filed a protest to the application and at the April 2001 hearing, the Thunderhead application was denied.

The Commission denied the Thunderhead application for several reasons. Following is the major finding in the order: "The Commission finds that Thunderhead is not an owner as defined by the Oil and Gas Conservation Act and Commission Rules and therefore does not have standing to file applications for exception locations. The Commission finds that it does not have jurisdiction over the claim of irreparable harm to surface property rights. The Commission finds that Thunderhead's application is a request to resolve a surface owner dispute over which the Commission has no jurisdiction. The Commission finds that Thunderhead is not a party that could be adversely affected and aggrieved in a manner that is within the Commission's jurisdiction to resolve. The Commission finds that Rule 502.b. is more general than Rule 318.c. and that although Thunderhead's application requests both an exception location and a variance, it is actually an exception location application. The Commission finds that the Director's approval of the APD is final and not conditioned on the Commission's approval. The Commission finds that onsite inspections are not adjudicatory proceedings conducted by Hearing Officers. The Commission takes administrative notice of all the provisions in its Order No. 112-156 including, specifically, the finding pertaining to directional drilling."

In March of 2001, Amoco filed suit in federal court for a summary judgement asking for clarification on four issues. First, that Amoco was not required to request variances from state setback and safety regulations. Second, that Amoco reasonably accommodated the Thunderhead's surface use. Third, that Amoco is entitled to use and maintain the access road it built to the well, and finally, the sound mitigation is sufficient.

In November of 2001 the well was spudded.

On December 2 and 3, 2002 a trial was held in U.S. District Court. Morris Bell, COGCC Operations Manager, testified for two hours on December 2nd about his involvement with the onsite inspection and the subsequent discussions prior to the issuance of the drilling permit.

On December 9, 2002 the U.S. District Court ruled that Amoco: (1) was not required to request variances for setback and safety regulations; (2) had reasonably accommodated the surface owner's present use and speculative future surface use; (3) may continue to use and maintain its access road to the well; and (4) because there are no engines on the location, the sound issue is moot.

COGCC staff agrees with the judge's belief that Amoco had reasonably accommodated the surface owner. During Morris Bell's testimony, the judge asked him several questions that indicated the judge was impressed with the effort that both Amoco and the COGCC had made to try to accommodate the surface owner.

It is apparent that the onsite inspection requirement in the two orders allowing for an additional well in the Fruitland Coal Formation allow for site-specific mitigation conditions to be placed on the drilling permits that benefit the surface owner and that operators are willing to accept.

® Record of Decision for Oil and Gas Development on Southern Ute Indian Reservation

The BLM's Colorado State Director and Southwest Regional Director have approved Alternative 3 – Enhanced Coalbed Methane Recovery (“ECBM”) as described in the *Final Environmental Impact Statement, Oil and Gas Development on the Southern Ute Indian Reservation (“FEIS”)*. Alternative 3 is the BLM, Bureau of Indian Affairs, and the Southern Ute Indian Tribe's preferred Alternative. This decision establishes a comprehensive oil and gas development strategy and establishes the environmental protection measures that are required of oil and gas management on the reservation. Alternative 3 specifically allows the drilling or recompleting of up to 70 injector wells for ECBM recovery and 636 production wells (269 conventional and 367 CBM) and all required support facilities on tribal surface and/or mineral estate including access roads, pipelines and other mineral related facilities. An estimated 1,306 acres of surface disturbance may result from this development. In addition, the FEIS Alternative 3 determined that development on adjacent non-tribal land could result in the drilling of another 67 injector wells and 519 CBM wells within the area studied. A copy of the Final FEIS is on file in the COGCC Public Room.

® San Juan Basin Ground Water Modeling Study

The October 2001 report entitled “San Juan Basin Ground Water Modeling Study: Ground

Water - Surface Water Interactions Between Fruitland Coalbed Methane Development and Rivers” is now available on the COGCC website under Library, Studies in the San Juan Basin. The US BLM and its consultants conducted the study, and the Ground Water Protection Council provided the funding.

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

VII. ORGANIZATION

® Staff Organization

The application period for the NE Colorado Inspector position closed on November 27, 2002. It is anticipated that a hiring decision will be made by the end of January.

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

VIII. PLANNING/ADMINISTRATION/OTHER

® Colorado Oil and Gas Association (“COGA”) / Colorado Counties, Inc. (“CCI”) Joint Application for Rulemaking for the February 2003 Hearing

For the past several weeks, CCI has been convening an Oil and Gas Task Force consisting of representatives of COGA, COGCC staff, and commissioners from several counties to develop a rulemaking proposal addressing concerns raised by Delta County regarding COGCC procedures for drilling permits. Counties represented in the task force were La Plata, Las Animas, Weld, Rio Blanco, Garfield, Delta, Moffat, and Mesa.

Highlights of the rulemaking proposal are:

- Changing the Local Governmental Designee (“LGD”) comment period on Applications for Permits-to-Drill (“APD”) from 7 days (which can be extended by an additional 10 days upon request from an LGD) to 10 days (which can be extended by an additional 20 days by an LGD.)
- Removing the Director's discretionary ability to withhold the issuance of Applications for Permits-to-Drill when requested to do so by a LGD, and making it mandatory. In such case, an expedited hearing would be held at the next Commission hearing to determine if the APD can be issued.
- Clarifying that the new procedure for local governments to seek a hearing would be conducted in the same adjudicatory hearing fashion as a “Public Issues Hearing” described in COGCC Rule 508.

The Application for Rulemaking, which has been docketed for the February 10 and 11, 2003

hearing, is available on the COGCC website under "Hearings".

® NGPA Well Determinations

Operators who wish to file for well determinations must submit the proper paperwork to the COGCC by May 15, 2003. Operators who wish to file for new tight formation area designations must submit the proper paperwork to the COGCC by April 1, 2003. These deadlines have been established due to the expiration of the tax credits on December 31, 2002. Congress did not vote on the Energy Bill prior to the expiration so the tax credits have not been extended.

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, 588 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.

® February Hearing Docket

A [preliminary docket](#) for the February 10 and 11, 2003 hearing has been provided. Hearing dockets are updated on the COGCC website by clicking on "Hearings", then "2003 Hearing Schedules, Dockets, Agendas and Minutes".

Anyone wishing to sign up for e-mail notification of hearing notices and applications may print a copy of the form from the COGCC website on the front page under "Digital General Mailing Form" and mail or fax it to Audra Serlet.

® 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. The 2001 data is the highest priority for the production/levy section with about 25% of the data remaining to be processed. The delay in processing was due to a vacant position and the recent hiring freeze. The position has been filled and the backlog of reports is rapidly being worked through.

Drilling permits are the highest priority of technical staff and will continue to be processed within the timeframes set up in the COGCC 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 a PDF format for downloading and printing. The form is letter size (8.5" x 11") and can be completed on a computer and then printed. Adobe Systems, Inc. sells Acrobat Approval (<http://www.adobe.com/store/products/acraproval.html>) for \$39. This application allows the data to be saved to a computer.

There are currently more than 89 operators reporting electronically, accounting for 81% of the production reported in December 2001.

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, a help document is available on the COGCC web site at <http://www.cogcc.state.co.us/forms.html> in the "instructions" column. 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, as of July 2002, is set at eleven-tenths mill (\$0.0011) per dollar raised from eight-tenths mill. Beginning with the third quarter of 2001, Levy is filed on a new form and reported by operator, rather than on a lease basis. 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 COGCC 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.

® New GIS tools

New tools are available that expand the functionality of the GIS for the end user. One tool allows users to add points, lines, polygons, symbols and text to the viewed map. The users can then save their work to their hard disk and re-access it later. The other tool allows users 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 website, use the map tools to load the new setup file and view the other 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 (wells, pits, hearings, and operators) are available for review on the Internet. Hearing files may be selected from the imaging page by inputting the order number, i.e. 112-2, in the "Cause Number" field. The best way to navigate to other records is through the database queries for wells, pits, and operators; navigate to the facility scout card, then select the "doc" icon.

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 and printing of the logs follows the procedure outlined in the "Printing Logs" link on the help page. 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 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 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 63,000 well files have been fully indexed and rescanned where necessary. The project is being completed; if you find a well file that has not been indexed please let us know.

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 8,650 wells reviewed and updated.

® Local Government Information

To date, 104 (43 counties and 61 cities) participate as Local Governmental Designees. To access the local government information, click on the "Local Gov" button on our main webpage. At the Local Government Search screen, a local government name or a location may be entered to search for approved permits, pending permits, operator changes and plugged wells within that area. Statewide searches for the same information may also be conducted from this screen.

® Variances

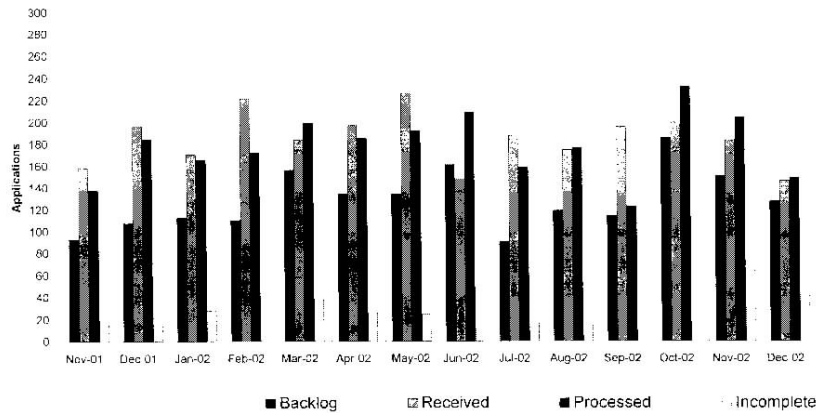
Starlight Resources was granted a Rule 1004.a. variance for McElwain #1, 7, 8, 10, 12, 14, 15, 19, 20 wells located in Adams County. The surface owner requested that the wellsites, associated tank batteries and lease roads not be ripped or revegetated since the land will be immediately developed into single family homes.

Colorado Oil & Gas Conservation Commission

Monthly Breakout of Drilling and Recompletion Permits

	Backlog	Received	Processed	Withdrawn	Rejected	Incomplete	In-Process	Remaining
Drilling								
Nov-01	81	152	122	6	0	19	86	105
Dec-01	105	192	182	7	0	22	86	108
Jan-02	108	167	162	7	0	26	80	106
Feb-02	106	215	164	3	0	32	122	154
Mar-02	154	173	192	6	0	38	91	129
Apr-02	129	187	175	10	0	26	105	131
May-02	131	201	178	6	0	24	124	148
Jun-02	148	129	183	9	0	16	69	85
Jul-02	85	171	140	0	0	33	83	116
Aug-02	116	167	176	3	0	16	88	104
Sep-02	104	180	117	1	0	10	156	166
Oct-02	166	188	209	3	0	14	128	142
Nov-02	142	149	169	2	0	61	59	120
Dec-02	120	143	143	3	0	37	80	117
Recompletion								
Nov-01	12	7	16	0	0	1	3	3
Dec-01	3	5	3	0	0	0	6	5
Jan-02	5	4	4	0	0	2	2	5
Feb-02	5	7	9	0	0	1	1	3
Mar-02	3	12	8	1	0	0	4	6
Apr-02	6	11	11	2	0	0	5	4
May-02	4	26	15	1	0	1	14	14
Jun-02	14	20	27	1	0	1	4	6
Jul-02	6	18	20	0	0	0	5	4
Aug-02	4	9	2	0	0	10	2	11
Sep-02	11	17	7	0	0	0	22	21
Oct-02	21	14	25	0	0	0	2	10
Nov-02	10	36	37	0	0	4	5	9
Dec-02	9	5	8	0	0	6	0	6
Total								
Nov-01	93	159	138	6	0	20	89	108
Dec-01	108	197	185	7	0	22	92	113
Jan-02	113	171	166	7	0	28	82	111
Feb-02	111	222	173	3	0	33	123	157
Mar-02	157	185	200	7	0	38	95	135
Apr-02	135	198	186	12	0	28	110	135
May-02	135	227	193	7	0	25	138	162
Jun-02	162	149	210	10	0	17	73	91
Jul-02	91	189	160	0	0	33	88	120
Aug-02	120	176	178	3	0	26	90	115
Sep-02	115	197	124	1	0	10	178	187
Oct-02	187	202	234	3	0	14	130	152
Nov-02	152	185	206	2	0	65	64	129
Dec-02	129	148	151	3	0	43	80	123

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

YEAR	MO	Baker - Hughes rig count	Drilling				Permits				Unedited				Public Visits		Well Oper Change
			Apv'd	Rcv'd	Recompletion Apv'd	Recompletion Rcv'd	Injection Apv'd	Injection Rcv'd	Pits Apv'd	Pits Rcv'd	Active Wells	Historic Records	Data	Office	Internet		
1999	Total		1010	1057	86	87	7	0	7	158	146	1624	2840	15239		2186	
2000	JAN	18	71	99	7	7	0	0	3	6		140	92	3025		287	
	FEB	17	114	152	16	22	2	2	16	15		123	126	3432		249	
	MAR	18	116	130	17	12	1	1	5	17		126	172	3611		189	
	APR	18	103	133	4	3	2	2	5	54	21989	108	169	3219		360	
	MAY	17	129	128	14	17	0	1	71	34	22098	131	218	3664		156	
	JUN	16	122	198	14	20	0	0	18	10	22103	106	117	3391		396	
	JUL	19	148	123	9	6	4	8	35	30	22190	100	172	3384		229	
	AUG	16	107	154	7	16	1	0	22	40	22247	103	75	3759		196	
	SEP	16	138	140	37	34	1	4	51	37	22175	66	208	4941		346	
	OCT	19	155	145	11	13	0	0	42	22	22224	99	205	4863		300	
	NOV	22	135	181	7	10	1	1	51	34		82	155	4704		182	
	DEC	24	191	162	9	14	0	2	9	6	22228	80	135	4143		215	
2000	Total		1529	1745	152	174	12	21	328	305		1264	1844	46136		3105	
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		503	
	MAR	26	192	137	10	8	0	2	3	41	22487	78	107	6448		205	
	APR	32	242	275	16	12	1	2	4	5	22714	87	143	6110		687	
	MAY	36	241	238	8	7	0	2	0	7		72	157	6693		492	
	JUN	36	194	257	12	14	2	3	10	49	22712	65	106	6090		650	
	JUL	35	216	182	8	9	4	2	23	3	22742	81	116	10473		791	
	AUG	37	177	151	22	17	3	4	25	18		67	75	12727		1550	
	SEP	38	108	149	6	13	3	0	83	27	22795	60	69	10416		168	
	OCT	36	201	144	8	8	3	3	2	3	22824	84	105	11943		207	
	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		202	
2001	Total		2273	2288	162	151	22	22	235	246		925	1306	404824		5904	
2002	JAN	25	162	167	4	4	2	0	43	27	22873	73	95	11673		1037	
	FEB	27	164	210	9	7	2	1	9	25	22911	76	88	13679		197	
	MAR	25	192	173	8	12	0	3	31	11	22930	58	55	13184		183	
	APR	28	175	177	11	11	1	4	2	26	23040	65	67	12935		688	
	MAY	33	173	201	15	26	5	6	41	10	23098	64	90	14492		219	
	JUN	34	183	126	27	20	0	1	1	4	23156	57	69	13747		146	
	JUL	31	140	171	20	18	2	1	7	30	23242	51	105	14801		195	
	AUG	30	176	167	2	9	0	1	36	14	23273	50	71	15554		294	
	SEP	24	117	170	7	17	2	3	13	12	23352	65	46	15810		186	
	OCT	25	209	188	25	14	2	2	12	11	23488	45	59	18423		168	
	NOV	24	169	149	37	36	3	0	8	29	23608	63	68	15932		313	
	DEC	27	143	143	8	5	3	0	49	1	23711	51	81	15460		58	
2002	Total		2003	2042	173	179	22	22	252	200		718	874	175690		3684	

Apv'd = Approved, Rcv'd = Received, Ind = Individual, Blind = Blanket, Apps = Application for Hearing, NOAV = Notice of Alleged Violation, AOC = Administrative Order of Consent, OPV = Order of Permit Violation, Conat = Complaint, Comp = Committed

Colorado Oil Gas Conservation Commission
Monthly Statistics

YEAR	MO	Operators		Release		Bonds		Claim		Hearings		Violations		Remediation		Field
		New	Inactive	Ind.	Blnd.	Replace	Ind.	Blnd.	Apps.	Order	NOAV	AOC	OFV	Cmpl.	Spills	Comp
1999	Total	55	41	45	25	61	1	2	31	36	196	8	12	123	211	83
2000	JAN	4	8	3	6	5	1	0	1	1	30	0	1	8	36	5
	FEB	7	5	7	0	6	0	0	1	3	10	6	4	38	22	9
	MAR	4	6	6	2	3	0	0	5	2	15	0	0	24	27	17
	APR	5	12	11	4	2	0	0	6	4	16	0	0	29	22	12
	MAY	7	11	10	4	2	0	0	1	1	45	0	0	27	22	9
	JUN	5	8	5	5	7	0	0	1	1	39	0	0	41	21	12
	JUL	10	7	6	3	5	0	0	5	7	28	2	0	11	26	18
	AUG	7	10	8	2	7	0	0	0	0	30	0	0	9	23	14
	SEP	10	7	3	7	2	0	0	0	0	16	2	0	10	17	20
	OCT	7	10	4	7	4	0	0	14	7	9	2	2	23	20	15
	NOV	6	5	2	5	6	1	0	NA	NA	10	NA	NA	16	34	12
	DEC	4	0	0	0	6	0	0	13	9	6	1	0	10	13	2
2000	Total	76	89	65	45	55	2	0	47	35	254	13	7	246	283	145
2001	JAN	7	8	6	3	10	0	0	12	8	14	1	0	10	35	17
	FEB	6	2	3	1	3	1	0	2	4	9	1	0	10	7	4
	MAR	5	3	6	0	9	0	2	3	4	1	0	9	11	12	3
	APR	8	7	2	0	12	0	0	9	7	57	2	0	14	14	4
	MAY	7	4	2	4	8	0	1	3	7	7	0	2	30	17	13
	JUN	7	9	0	5	4	0	0	NA	NA	9	NA	NA	17	17	8
	JUL	5	2	1	2	14	0	0	9	7	18	4	0	13	16	8
	AUG	4	6	1	3	10	0	0	4	3	25	0	0	45	20	4
	SEP	10	8	7	4	3	0	0	2	NA	40	0	0	14	20	8
	OCT	5	6	5	3	9	0	0	5	4	45	0	0	22	17	8
	NOV	5	0	0	0	12	0	0	NA	NA	14	NA	NA	20	12	8
	DEC	8	2	0	3	10	1	0	7	1	17	0	0	13	16	3
2001	Total	77	57	33	28	104	2	1	53	40	259	9	2	217	202	97
2002	JAN	7	9	3	3	6	0	0	6	7	17	1	2	16	20	17
	FEB	10	4	1	0	5	0	0	6	4	33	0	1	11	27	6
	MAR	6	8	3	3	10	0	0	3	2	18	0	2	5	31	10
	APR	7	10	8	3	10	1	0	5	4	27	0	0	9	11	9
	MAY	5	11	6	14	6	0	0	NA	NA	22	NA	NA	12	19	4
	JUN	5	12	3	10	8	0	1	6	4	17	0	1	7	20	5
	JUL	2	6	2	7	12	1	0	6	5	25	2	0	18	14	9
	AUG	6	11	6	5	8	0	0	5	4	70	1	1	14	13	2
	SEP	4	5	8	3	8	0	0	17	16	11	0	14	15	12	3
	OCT	3	12	8	6	5	0	0	3	2	8	0	0	11	8	0
	NOV	5	3	3	0	15	0	0	NA	NA	1	NA	NA	8	10	0
	DEC	3	6	11	4	5	0	0	6	4	12	1	0	7	9	0
2002	Total	63	97	62	58	98	2	1	63	52	261	5	21	133	194	65
																58
																5603

Appl = Approval; Rcvd = Received; Ind = Individual; Blnd = Blanket; Apps = Application for Hearing; NOAV = Notice of Alleged Violation; AOC = Administrative Order of Consent; OFV = Order Filing Violation; Cmp = Complaint; Comp = Completed

"POST INDEPENDENT"

DEC. 24, 2002

Wildlife wins out in gas decision

BY LYNN BURTON
Staff Writer

The Bureau of Land Management denied a gas exploration company's request to drive heavy drilling equipment through critical big game habitat south of Rifle last Friday.

In his letter of denial, acting BLM Field Manager Steve Bennett said EnCana's wildlife mitigation plan would still result in unacceptable impacts to big game winter range.

"The mitigation plan proposed is minimal and does little to address the major impacts associated with the high level of truck traffic and loads required

In his letter of denial, acting BLM Field Manager Steve Bennett said EnCana's wildlife mitigation plan would still result in unacceptable impacts to big game winter range.

to support three drill rig sites and up to seventeen wells," Bennett said.

EnCana had asked for a waiver to allow it to bring heavy rigs into its drilling area on Grass Mesa this winter.

Grass Mesa subdivision property manager Cheri Chartier applauded the BLM's decision not to let EnCana drive drilling rigs on the company's recently completed private road.

"We think it's terrific," Chartier said. "Their decision was well researched and thought out. We're tickled they went to that extent."

EnCana agreed to build the \$500,000 road earlier this year after the Colorado Oil and Gas Commission told the company to either find an alternate route to Grass Mesa, or upgrade the existing private road to the subdivision.

EnCana has shared the road with Grass Mesa residents for the last few years.

The BLM's Glenwood Springs field office approved the mile-long alternate road to Grass Mesa in September, but stipulated EnCana could not put drilling rigs and heavy equipment on it from Dec. 1 through April 30.

WILDLIFE: See page 9

Extreme conditions faced by wildlife cited in decision to reject winter road use

WILDLIFE: from page 1

In his letter to EnCana, Bennett said his major concern is the stress on wintering animals that would be created by "the large volume of proposed vehicular traffic."

He said the BLM has noted elk have already moved into their Grass Mesa winter range.

"Specific to this year, animals are coming on to poor condition winter range due to the extreme 2002 drought," Bennett wrote. "Forage production was generally poor across much of the area, particularly the lowland winter range habitats. In addition to the poor range conditions, many ani-

imals are not in the best condition coming on to poor winter range."

"This is also attributed to the drought and the poor summer forage conditions. These factors, coupled with the potential for a heavy snow year, exacerbate the concern for wintering big game animals in the area."

Bennett told the Post Independent the Colorado Division of Wildlife offered input on EnCana's waiver request, but did not take a formal position.

Bennett said the BLM can consider a waiver request after March 1, if the winter is a mild one. "However, we will not be able to make that determina-

tion until we can evaluate the winter conditions in mid-February," Bennett's letter said.

Bennett said EnCana can appeal his decision to the BLM's state director.

EnCana spokesperson Scott Ransom said his company has no plans to appeal the BLM decision "in the near term."

EnCana still has the option of upgrading the private Grass Mesa subdivision road under terms of the agreement reached with the Colorado Oil and Gas Conservation Commission.

Commission deputy director Brian Macke said on Monday that EnCana hasn't contacted his office about upgrading the Grass Mesa road.

GLENWOOD POST/INDEPENDENT

Tuesday, December 17, 2002

TOP 10

County funds first oil and gas designee

BY LYNN BURTON
Staff Writer

The Grand Valley Citizens Alliance didn't get all of what it wants in Garfield County's 2003 budget on Monday, but it got more than it has ever had.

The county commissioners voted to fund a part-time local government designee to act as a liaison between the county and residents, and the oil and gas industry.

The Grand Valley Citizens Alliance lobbied the commissioners to create a full-time designee. After the vote, alliance member Janey Hines-Broderick said, "We have something now we didn't have. Hopefully, we'll keep this person really, really busy."

Action on the local government designee came as the commissioners adopted a \$41.7 million Garfield County budget for 2003. The county's mill levy for property taxes remains at 13.65 mills.

The 2003 budget includes \$202,000 to fund four new positions in the sheriff's department: an animal control officer and three patrol deputies.

The Grand Valley Citizens Alliance, which represents rural residents affected by natural gas drilling from Silt to Parachute, asked for a designee at a forum last June.

Alliance members said the designee is needed to deal with noise, heavy truck traffic on county roads, waste pit hazards, 24-hour-a-day activities, and a complex mix of bureaucratic regulations, state statutes and industry practices.

The Colorado Oil and Gas Conservation Commission operates a Parachute office to field complaints against oil and gas operators, but the alliance says that's not enough help for many residents.

"We ran up against what seemed to

OTHER COMMISSIONER ACTION

Also Monday, Garfield County commissioners:

- Extended the deadline for Glenwood Caverns to complete its Iron Mountain tramway and mountaintop building to Aug. 1, 2003, and okayed a hookup to the Glenwood Springs sanitation system.
- Set priorities for Department of Local Affairs Energy and Mineral Impact Assistance grants: 1st, Battlement Mesa Schoolhouse restoration; 2nd, Grand Valley Early Childhood Literacy Center remodel; 3rd, a RFTA bus stop at the new Coal Ridge High School.

be a jigsaw puzzle when we tried to get information," said alliance member Peggy Utesch of Silt.

The contract calls for a 20-hour week and \$30,000 in pay. As a contract position, the designee will not be a Garfield County employee, and the contract would be up for reconsideration each year.

"It's easy to remove a contract position," said County Commissioner Walt Stowe. "It's not easy to remove a full-time employee."

The contract also budgets \$11,000 for clerical help, and a vehicle.

Commission Chairman John Martin argued for a full-time staff position, and voted against Larry McCown's motion to fund a contract position.

"The county has grown," Martin said. "We can't perform the functions with the staff we had five or six years ago."

In the past, the county planning department was charged with dealing with the oil and gas industry.

After the meeting, county administrator Ed Green said the designee position will be advertised soon. The designee must have some oil and gas industry knowledge, and will work under Green's department or the building and planning department.

Natural Gas Exploration & Development 101: An Educational Seminar Series

Memorial Hall ~ Hotchkiss, Colorado

SEMINAR NO. 1: GAS EXPLORATION AND DEVELOPMENT BASICS JAN. 7, 2003

Sign-in begins at 6:00 p.m.

Topic	Speaker	Time Limit (minutes)	Starting Schedule	Speaker Contact Information
Introduction	Facilitator	10	6:30 p.m.	Maro Zagoras (970) 876-5722 maro@giel.net
Overview of Gas Reserves: What is the Demand?	Ron Johnson, USGS	10	6:40 p.m.	Ron Johnson, USGS (303) 236-5546 rjohnson@usgs.gov
Exploration and Development 101 ~ Directional Drilling ~ Hydraulic Fracturing ~ What's a Pig? What are Gathering Lines? ~ What Does Exploration and Full Field Development Look Like? ~ How is Water Discharge Handled? ~ Discuss Conventional vs. Alternative Development Methods	Hank Syzmanski, BLM	25	6:50 p.m.	Hank Syzmanski, BLM (970) 385-1351
Regional History of Gas Development ~ Public Lands ~ Private Lands	Duane Spencer, BLM Brian Macke, COGCC	20	7:15 p.m.	Duane Spencer, BLM (303) 239-3753 Brian Macke, COGCC (303) 894-2100 Ext. 122 brian.macke@cogcc.state.co.us
BREAK & Question Submission Question & Answer Session (Moderators ask selected questions - maximum two-minute replies)	Facilitator	15	7:35 p.m.	Maro Zagoras (970) 876-5722 maro@giel.net
Regional Geology and Gas Development	Ron Johnson, USGS	20	8:10 p.m.	Ron Johnson, USGS (303) 236-5546 rjohnson@usgs.gov
Regional Hydrogeology and Gas Development	Kirby Wynn	20	8:30 p.m.	Kirby Wynn, USGS (970) 245-5257, Ext. 23 khwynn@usgs.gov
BREAK & Question Submission Question & Answer Session (Moderators ask selected questions - maximum two-minute replies)	Facilitator	10	8:50 p.m.	Maro Zagoras (970) 876-5722 maro@giel.net
MEETING ADJOURNS		30	9:00 p.m.	
			9:30 p.m.	

SEMINAR #2: CURRENT REGULATORY FRAMEWORK JAN 21, 2003

Sign-In Begins at 6:00 pm		Topic	Speaker	Time Limit (minutes)	Starting Schedule	Speaker Contact Info.
Introduction		Facilitator	10	6:30 pm	Margo Zagoras, 970/876-5722 margo@gjel.net	
Federal Authority for Gas Development		Hank Szymanski, BLM ?? + Melody Holme, USFS Ayn Schmit or rep, EPA	20 15	6:40 pm	??? BLM Melody Holme, USFS ??? Ayn Schmit, EPA 303/512-6220 schmit.ayn@epa.gov	
State Authority of Gas Development		Brian Macke, COGCC + Asst Attorney General ?	15		Brian Macke, see above	
• BLM & USFS: Roles and Responsibilities		Chris Gates, CDPHE	15	7:15 pm	Chris Gates, CDPHE	
• EPA: Responsibilities (e.g., NEPA etc)		Ken Beegles, DWR	15		Ken Beegles, DWR 970/247-1845	
State Authority of Gas Development			15	8:00 pm		
• COGCC: roles and responsibilities in gas dvlpmt projects from start to finish		Facilitator	15	8:15 pm	See above	
• CDPHE: Environmental regulations and CDPHE responsibilities						
• State Engineers Office:						
BREAK: Question Submission						
Question and Answer Session (Moderators ask selected questions/maximum 2 minute replies)						
What is Local Authority?		Brad Coleman, Delta County or LaPlata County Attorney ? Private Attorney	15 15 20	8:30 pm 8:45 pm 9:00 pm 9:10pm	? ? See above	
What are your rights?						
BREAK: Question Submission						
Question and Answer Session (Moderators ask selected questions/maximum 2 minute replies)						
MEETING ADJOURNS				9:30 pm		

SEMINAR #3: ENVIRONMENTAL CONCERNS FEB. 2, 2003

Sign-In Begins at 6:00 pm

Topic	Speaker	Time Limit (minutes)	Starting Schedule	Speaker Contact Info.
Introduction	Facilitator	10	6:30 pm	Margo Zagoras, 970/876-5722 maro@gjcl.net
General Overview of Environmental Impacts Associated with Coal Bed Methane	Ayn Schmit, EPA	20	6:40 pm	Ayn Schmit, EPA 303/312-6220 schmit.ayn@epa.gov
Environmental Impacts of Gas Wells in Garfield County	Rifle Public Works, ??	20	7:00 pm	
<ul style="list-style-type: none"> Gas wells in a municipal watershed What is the Existing Information Regarding Private Wells in Delta County? <ul style="list-style-type: none"> Well depths, aquifers sourced, well used Numbers of registered wells 	Louanne, State Engineer's Office, Montrose	20	7:20 pm	Louanne, DWR 970/249-6622
Surface Water Discharges and Impacts to Well Water Quality	??	20	7:40 pm	
TBD			8:00 pm	

Plan to Attend

Natural Gas Exploration & Development Basics



A FREE educational seminar series designed to present objective, science-based information to the local community on natural gas exploration and development.

Sponsored by:

Bureau of Land Management
Colorado State University Cooperative
Extension
Delta Conservation District
Delta County

Oxbow Mining, LLC
Public Lands Partnership
U.S. Forest Service
Western Slope Environmental Resource
Council

WHERE:

Memorial Hall Hotchkiss, CO

Sign-in begins - 6:00 pm

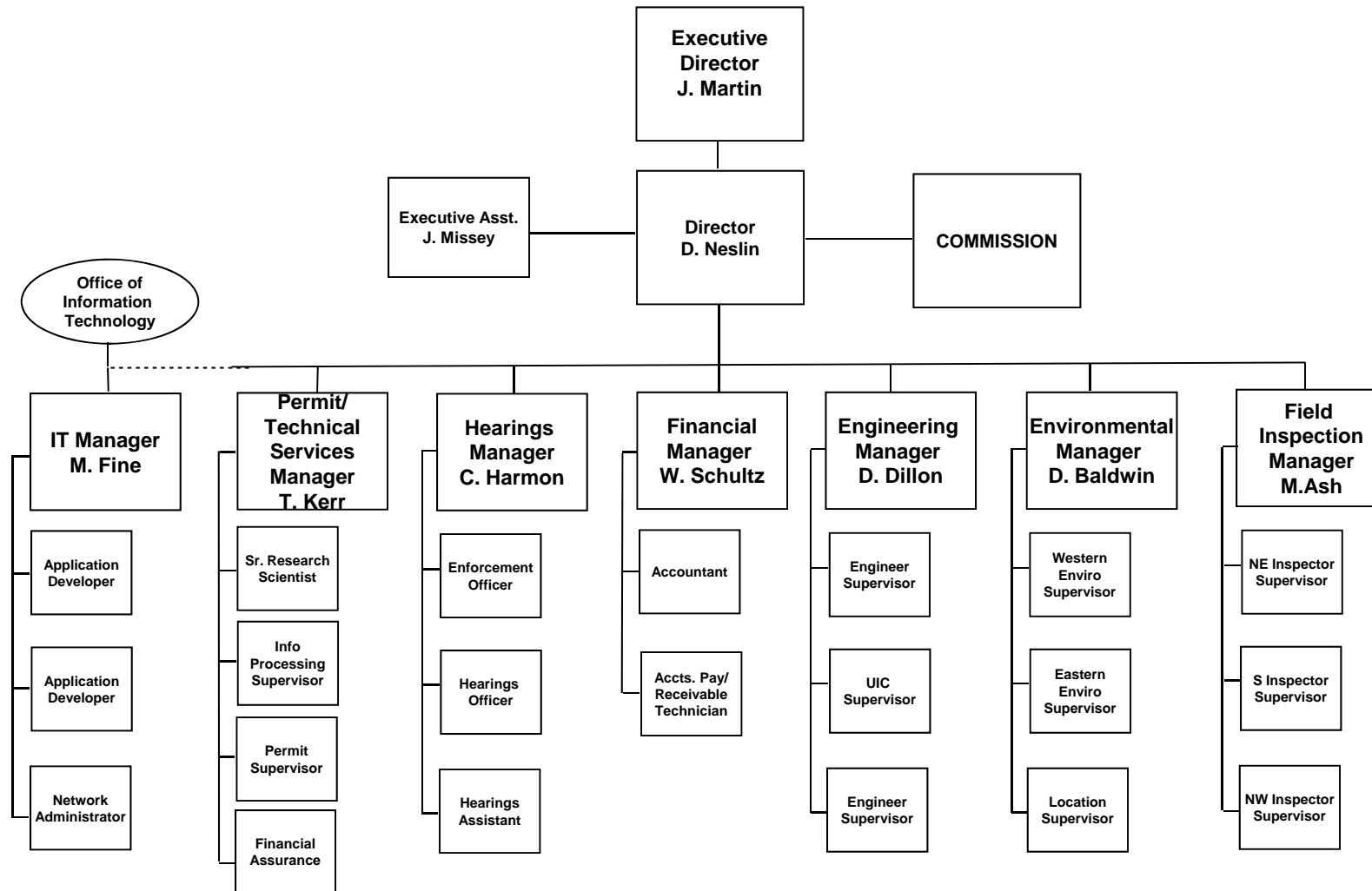
Seminars - 6:30-9:30 pm

SEMINAR DATES and TOPICS:

Tuesday January 7, 2003	Exploration and Development Basics
Tuesday January 21, 2003	Current Regulatory Framework
Tuesday February 4, 2003	Environmental Concerns

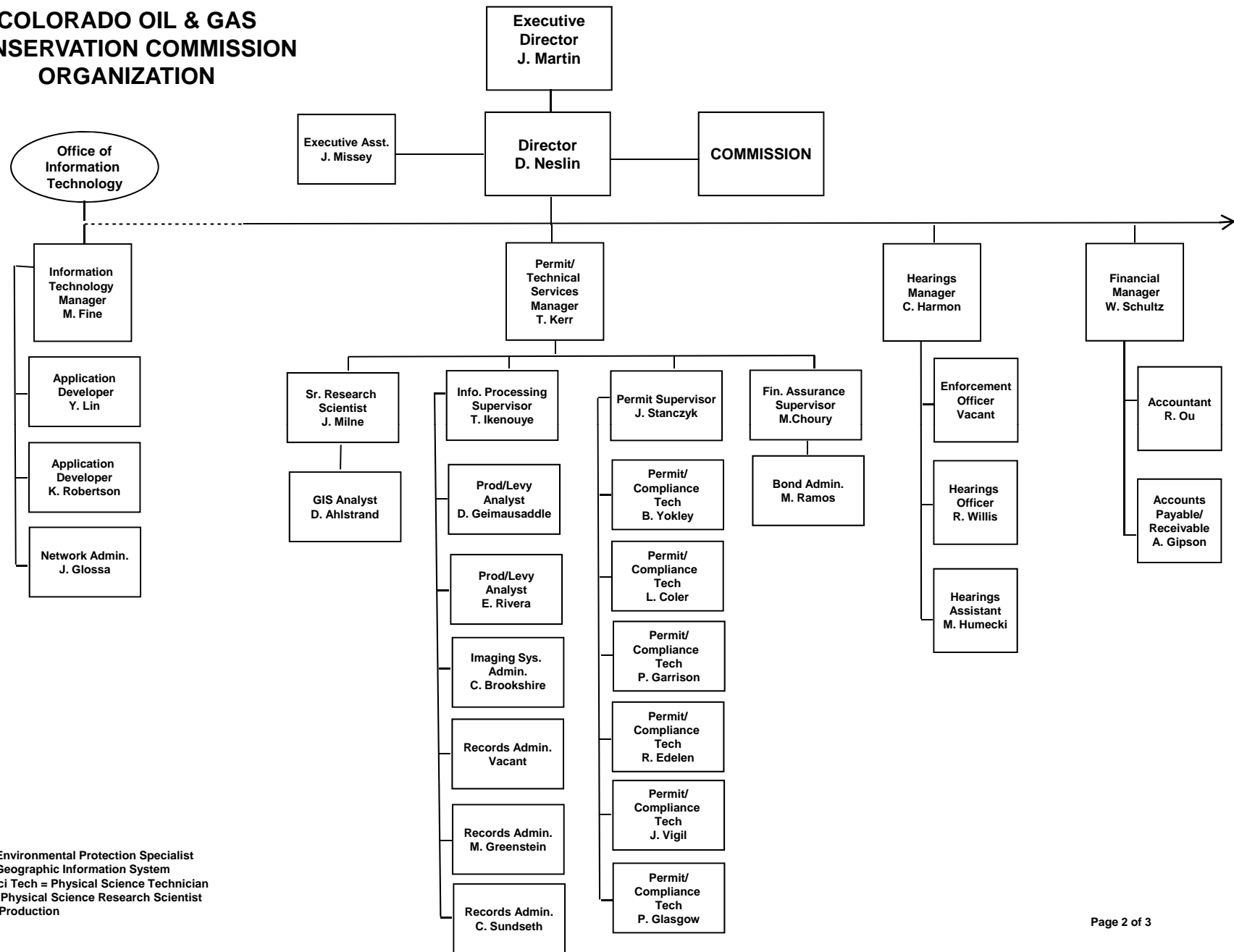
For more information contact, CSU Extension at 970/874-2195.

COLORADO OIL & GAS CONSERVATION COMMISSION

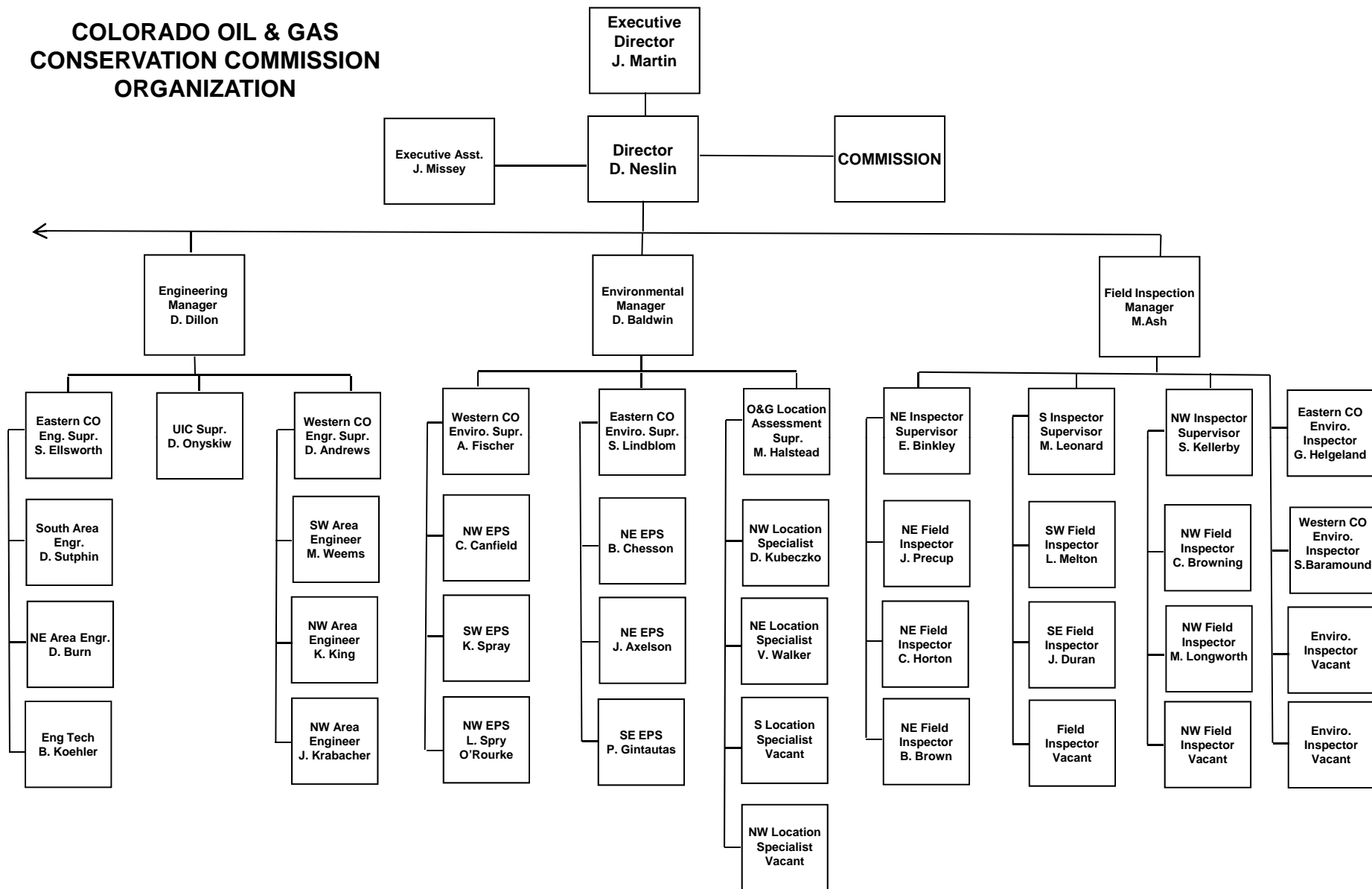


See the next two pages for details

COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION



COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION



EIT = Engineer in Training
 EPS = Environmental Protection Specialist
 OGLA = Oil & Gas Location Assessment
 Phys Sci Tech = Physical Science Technician
 UIC = Underground Injection Control

HEARING DOCKET: February, 2003

Page 1

prelim
1/2/2003

Docket No. (Notice)	Cause	Applicant/Attorney or Representative (Application)	Date Rec'd	Field Formation County	Matter	Remarks (Order)
0302-UP-01	112	Richard and Theresa Watson/R. Nicholas Palmer	12/23/2002	Ignacio Blanco Kirtland/Fruitland Coal La Plata	Request for the acreage and mineral interests which have been included in the drilling unit for University 9-1 Well located in the E1/2 of Section 9, Township 34 North, Range 9 West to be pooled effective as of the 1993 date the well was completed, and the Applicants be paid the money attributable to their mineral interests from the time of completion in 1993 to the present.	continued to June hearing
0302-GA-01	1	Evergreen Operating Corp./ Dennis Carlton	12/26/2002	Purgatoire River Vermejo Coal Las Animas	Request for a variance to allow the Kildare 42-20 Well to be located closer than 150 feet from the surface owner's property.	continued to April hearing
0302-RM-01	1R	Colorado Oil and Gas Assoc. & Colorado Counties, Inc.	12/18/2002	Statewide	Proposed amendments to Rules 303.d., 303.k., and 503.b(6). AOC- Rule 602.b., failure by Encana Oil & Gas (USA), Inc. to comply with the approved Access and Transportation Plan for access to the Grass Mesa Ranch 27-2B1 Well located in the NW1/4 NE1/4 of Section 27, Township 6 South, Range 93 West, 6th P.M. and the AOC adopted by the Commission on December 2, 2002.	<u>ORDER NO. 1R-93</u>
0302-OV-02	1V	Staff Recommendation	1/9/2003	Grass Mesa Garfield		<u>1V-243</u>