

## MONTHLY STAFF REPORT

### I. STATISTICS

Our monthly statistics report is attached ([page 1](#), [page 2](#), [page 3](#)). Based on approvals to date, the approved Applications for Permits-to-Drill ("APD's") for calendar year 2004 are projected at an annual total of 2700.

### II. NORTHWEST COLORADO

[Attached](#) are newspaper articles of local interest.

#### ® Northwest Colorado Oil and Gas Forum – **Important Notice of Time Change**

The next meeting of the Northwest Colorado Oil and Gas Forum will be held from **10:00 a.m. until 2:00 p.m. on Thursday, May 27<sup>th</sup> at the Battlement Mesa Activity Center Gymnasium, Battlement Mesa, Colorado. (Please note – this is a change from the previously announced date of May 20).**

Tentative Agenda items for the next meeting include:

- State, Federal, County, and Industry Updates on NW Colorado Oil and Gas Activity
- Update on Divide Creek Natural Gas Seep
- Update on Recent Colorado Oil and Gas Conservation Commission ("COGCC") Rulemaking
- Update on Project Rulison by Department of Energy Staff and Presco Inc.
- Open Public Comment/Q&A Period About Issues of Local Concern

The Forum, which is co-chaired by COGCC Deputy Director Brian Macke and Garfield County Commissioner Larry McCown, consists of representatives from federal, state and local government, the oil and gas industry and all interested citizens. The meetings are currently being held four times during the year. The meeting frequency may be increased if changing circumstances create a need to do so.

***All parties wishing to be placed on the agenda for presentations need to contact Brian Macke at 303-894-2100 x122 or [brian.macke@state.co.us](mailto:brian.macke@state.co.us).***

#### ® Mamm Creek Gas Field - West Divide Creek Gas Seep

COGCC and EnCana's investigations of the gas seep in West Divide Creek continue. Since remedial cementing of the Schwartz 2-15B Well on April 7, 2004, water sampling of the West Divide Creek seep has shown a dramatic decrease in benzene concentrations from the maximum concentration of 99 micrograms per liter (µg/l), which was detected on April 2, 2004, to non-detect on April 26, 2004. BTEX has not been detected in any of the weekly creek samples since late April, 2004.

On May 4, 11, 12, and 17, 2004 COGCC staff inspected the seep area and observed that the aerial extent, volume, and activity of the gas seep have diminished significantly,

perhaps by as much as 90%, from the level of activity initially observed by COGCC staff on April 1, 2004.

BTEX has not been detected in any of the water samples collected by either EnCana or by the COGCC from the 47 water wells and springs currently being tested. Methane gas has been detected in many of these, but this is not unusual or unexpected because the water wells are completed in and the springs issue from the Wasatch Formation, which is known to contain gas bearing rocks. Samples have been collected from the water wells with greater than 2 mg/l methane for isotopic and compositional analysis of the gas. The results of the isotopic analyses indicated that the gas is not from the Williams Fork Formation and its presence appears to be unrelated to the gas that COGCC staff believes was released from the Schwartz 2-15B Well. COGCC staff will be collecting additional gas samples from producing gas wells and water wells to obtain a more complete picture of the variability of isotope ratios and gas composition. EnCana continues to supply water to area residences, as requested.

A soil gas survey at residences near the seep has shown no impact from the gas release on any of these residences. A 24-hour Air Toxics sampling conducted on April 17, 2004 from sites along the West Divide Creek seep and adjacent residences, showed very low air concentrations of ethanol, hexane, cyclohexane, and heptane from some of the sites. None of the concentrations were above the health-based levels of concern.

On April 23, 2004, the COGCC staff issued a Notice of Alleged Violation ("NOAV") to EnCana citing violation of COGCC rules regarding the improper cementing of the production casing on the Schwartz #2-15B Well, the release of natural gas to West Divide Creek, failure to prevent the contamination of fresh water resources, and failure to notify the COGCC promptly of the cementing and bradenhead pressure problems in the well. The deadline for the NOAV corrective action was May 8, 2004. EnCana submitted its Form 27 Site Investigation/Remediation Workplan and its response to the NOAV on May 7, 2004. The Form 27 included EnCana's April 9, 2004 workplan, the COGCC staff additions and modifications to the April 9, 2004 workplan, and additional work EnCana has undertaken.

EnCana has contracted with Colorado Mountain College's ("CMC") natural resources staff to conduct a biological study to monitor aquatic life in the West Divide Creek and to measure impacts, if any, to aquatic life from the gas seep. Data collection began on May 10, 2004 and will continue monthly through August 2004. Several residents in the vicinity of the seep are providing input to the CMC study.

The COGCC staff continues to provide updates regarding the West Divide Creek seep investigation to the Water Quality Control Division ("WQCD") of the Colorado Department of Public Health and Environment ("CDPHE") pursuant to our existing MOA. On May 13, 2004 a copy of EnCana's Form 27 Site Investigation/Remediation Workplan was provided to WQCD for their review and comment.

The COGCC staff has prepared several informational updates for the West Divide Creek seep investigation. These are posted on the COGCC website and were distributed as handouts at the May 12, 2004 Energy Expo, held in Garfield County. See attached West Divide Creek Gas Seep fact sheet ([page 1](#), [page 2](#)) and [COGCC's Answers to Frequently Asked Questions](#).

EnCana continues the moratorium on drilling and fracing activities within a 2-mile radius of

the seep until COGCC approves resumption of these activities.

® EnCana Energy Expo/Job Fair

The EnCana Energy Expo/Job Fair was held on Wednesday, May 12, 2004 at the Garfield County Fairgrounds. This was the second year of the event, which is an opportunity for the public to talk one-on-one with representatives of the oil and gas industry and their contractors as well as representatives of government oil and gas regulatory agencies. COGCC staff members Brian Macke, Morris Bell, Bob Chesson, Jaime Adkins, and Jay Krabacher were present at the COGCC exhibit display booth to answer questions and provide educational material to the public. An estimated 300 people attended the Expo/Job Fair this year, which was an excellent opportunity for public outreach. In addition, EnCana provided door prize drawings and meals for the public who attended the Expo. We would like to commend EnCana for this outstanding effort to interface with the local public in Garfield County, which is experiencing an unprecedented level of oil and gas activity.

III. **NORTHEAST COLORADO**

.. Leyden Storage Facility Closure Report

The quarterly Leyden Storage Facility Closure Report was submitted by Public Service on April 26, 2004. The City of Arvada has begun to inject water into the cavern and had injected 769 acre-feet of the estimated 2100 acre-feet of water required to fill the cavern. This report is on the COGCC website.

On April 20, 2004 staff was notified by Public Service that gas had been detected in a water well being drilled by Consolidated Mutual Water District. The water well is being drilled north of the Leyden Storage Facility. An analysis of gas from the water well indicates it is similar in composition to gas that was stored in the facility during the 1960's and the early 1970's. Public Service ran logs in the water well and is currently evaluating the results. Attached is the notice provided by Public Service on the water well dated May 6, 2004 ([page 1](#), [page 2](#), [page 3](#), [page 4](#)).

IV. **SOUTHWEST COLORADO**

3M Monitoring Well Report

The March 2004 Monitoring Well Report is available under Library on the COGCC website under "San Juan Basin Studies" and "Monitoring Well Reports".

V. **ORGANIZATION**

® Staff Organization

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

The COGCC is currently working with Department of Natural Resources Human Resources office to fill the Budget Administrator position, which will be vacated by Paula Neal when she retires on June 30, 2004. The job announcement has been closed and testing and interviews for the position are planned to occur during the week of May 17<sup>th</sup>. The position will be filled by the third week of June 2004.

Rich Griebeling has announced his retirement effective June 30, 2004. There will be an open house/reception in his honor on June 11, 2004 from 4:00 p.m. to 6:00 p.m. at the COGCC offices.

## **VI. PLANNING/ADMINISTRATION/OTHER**

### **® 2003 Outstanding Oil & Gas Operations Awards**

The deadline for nominations for the COGCC 2003 Outstanding Oil and Gas Operations Awards is June 1, 2004. This will be the 8<sup>th</sup> year of this very successful program that recognizes extraordinary efforts of oil and gas operators in a variety of categories. Award presentation will take place on August 10, 2004 at the Colorado Oil and Gas Association's Rocky Mountain Natural Gas Strategy Conference and Investment Forum. All parties are encouraged to provide nominations by the deadline. We will be submitting a list of nominations to the Commissioners for approval after the nomination deadline. [Attached](#) is the nomination form for the awards.

### **® Public Outreach Opportunities**

On April 28, 2004, Morris Bell made a presentation at the API Forum on Coalbed Methane ("CBM") Water focusing on the regulatory issues of CBM development and disposal of water in Colorado.

On May 10, 2004, Morris Bell made a presentation at the Denver Association of Division Order Analysts Spring Seminar on the COGCC and current issues facing the state.

On May 13, 2004, David Dillon made a presentation at the Four Corners Oil and Gas Conference on the results of the Fruitland Coal Infill Program.

### **® Penalties Status**

[Attached](#) is a revised table showing the status of penalties paid and penalties pending collection.

### **® July Hearing Docket**

Hearing applications for the July hearing are due today, and it is anticipated that the docket will be full, perhaps requiring a 2 day hearing. A preliminary docket should be available on the COGCC website by May 26, 2004. Hearing dockets are available on the COGCC website by clicking on "Hearings". Links to the hearing applications and notices are available from the Docket by clicking on the Applicant and the Docket Number, respectively.

To sign up for e-mail notification of hearing notices and applications please see the announcement and instructions on our main web page.

### **® Joint COGA – CCI Gathering Line Regulation Work Group**

A workgroup consisting of representatives from COGA and local governments working

through Colorado Counties, Inc. ("CCI") has been convened to jointly develop proposed COGCC regulations for gathering lines. The workgroup, which now includes representatives from Garfield, Mesa, Gunnison, La Plata, Delta, Rio Blanco, Las Animas, San Miguel, and Delta counties as well as industry representatives, met most recently on February 5, 2004 to discuss gathering line issues and develop a rulemaking proposal to jointly bring to the COGCC. This model was used successfully last year to bring a proposed rulemaking to the COGCC to address local government involvement in COGCC processes. COGCC Deputy Director Brian Macke has been included in the meetings to serve solely as a resource and to answer questions about COGCC regulation that arise in the discussions. The county representative portion of the working group held a meeting on April 8, 2004, which was also attended by COGCC Deputy Director Brian Macke. The county representative working meetings have been focused on the development of a common list of local government concerns that the local governments would like to have addressed through gathering line regulation.

® Draft Budget Requests

The Joint Budget Committee ("JBC") met to conduct the Department of Natural Resources "figure setting" on February 26, 2004. During the meeting, the JBC approved the following request for funding from the COGCC:

- The entire \$96,995 change request for FY 04-05 for the completion of the document imaging indexing project.
- A supplemental budget request for FY 04-05 to address increased drilling permit activity and active well workload which includes:
  - \$89,487 in Personal Services including 1.0 FTE for a Permit Technician and 30,000 in temporary services funding for document processing.
  - \$1,759 in operating funds.
  - 1 additional leased vehicle from Fleet Management.

In addition, the JBC took these other actions related to the COGCC:

- \$500,000 will be taken from the Environmental Response Fund balance to replace Severance Tax funding for COGCC programs.
- \$400,000 will be used from the Environmental Response Fund ("ERF") balance to fund the COGCC ERF projects lines.

The above two actions are not projected to result in the Environmental Response Fund balance being below its desired \$1 million level.

The COGCC budget requests have been approved by the General Assembly and have been included in the FY 04-05 Long Bill appropriations.

® COGCC Leased Space Status

The COGCC's current office space lease in the Chancery Building will expire on August 31, 2004. The Office of State Planning and Budgeting ("OSPB") has given its approval to State Buildings to begin the process of negotiating a new office space lease. The Department of Personnel and Administration has engaged Corporate Planners and Coordinators, Inc.

("CPC") to perform the following functions on behalf of the COGCC:

- Space Needs Assessment
- Marketplace Search
- Lease Negotiation

In its approval of the COGCC request to the OSPB for an exemption to a state Executive Order regarding new office space leases, State Buildings Real Estate Programs made a recommendation that the COGCC utilize the services of CPC to compile competitive lease rate information for a short term lease (not to exceed two years), including a financial analysis of options that considers both re-leasing the current space at the Chancery Building and moving to another facility. COGCC staff is working closely with CPC on a very tight timeline for a solution on a new office space lease.

CPC has received a competitive offer by the Chancery Building for the COGCC to re-lease the current office space for a two year term for the same lease rate as is currently being assessed. The two year term could be extended by one year for an additional one dollar per square foot with a ninety day notice by the COGCC. No build-out allowance would be available under these terms; however, the building management would perform some minor repair as well as carpet cleaning. The COGCC has instructed CPC to recommend to the OSPB that this offer be accepted. CPC has indicated that after the offer is accepted, they would continue to work with the OSPB and the Chancery Building management to determine if a longer term lease agreement could be established in the future.

® Local Governmental Designee ("LGD") Informational Seminar

An informational seminar was held on April 20<sup>th</sup> and attended by 20 LGDs. In addition, Chair Mueller and Commissioners Ashby, Casey, Klish and Shook were present. Overviews on activity in Colorado, rules affecting LGDs and the COGIS and GIS systems were presented. The seminar was well-received by the LGDs who expressed appreciation for the opportunity to better understand their role with the COGCC. COGCC staff will identify a time to hold another seminar on the west slope in response to requests from several LGDs.

® Colorado Oil and Gas Information System ("COGIS")

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

· Internet

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

○ General

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

○ Contacts

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

- Library
  - § This page contains links to documents resulting from Commission studies, activity reports, and statistical downloads.
- Hearings
  - § This page has links to the current and previous hearing schedules, which allow for review of the dockets, agendas, applications and their outcome. It also has information that is useful when considering an application for hearing or finding information about Commissioners.
- Rules
  - § This page contains links to the Commission statute, Rules and Regulations, and policies.
- Orders
  - § This application provides searchable capability to the Commission's orders. The search by location is still under construction as we create the map layer for all spacing orders.
- Forms
  - § These are Adobe Acrobat documents that can be downloaded, completed, printed and mailed. Some example and instruction documents are viewable. Eventually, online forms will be available here, but the exact time frame is unknown.
- Staff Report
  - § Current and previous staff reports, with attachments, are viewable here.
- Permits
  - § This application shows the last 12 months of approved permits and current pending permits; it may be filtered by county.
- Database
  - § This application enables users to query well, production and operator information. These queried databases contain the most current set of data and are updated throughout the day.
- Local Gov
  - § This application provides database searches for local government contact information and oil and gas activity within a selected area.
- Images
  - § This application is an interface to the COGCC's historical paper files. All well files, logs and hearing files have been scanned. This application is not user friendly and the preferred method is to use the database queries and click on the "docs" icon for wells and other facilities, or to use the Orders application.
- Maps
  - § This interactive map application allows the user to zoom, pan and select types of information to display. This application will also display the database information for wells by selection tools or double clicking on a single item. There are also tools to allow annotations and to save reusable map files.
  - § The spacing orders are being evaluated and posted on the maps, with approximately seventy five percent (75%) of the state having been reviewed.
- Reports
  - § This area is still in development; the application malfunctions. The goal is to have selectable data sets and statistical queries.

· Local Area Network

The COGCC staff is connected to services by a Local Area Network ("LAN") connection which provides e-mail and data sharing capabilities. The LAN is connected to the Centennial Building at 1313 Sherman Street by a wireless interface; this connection

provides access to the Internet and other state services. COGCC staff utilizes the same applications in its work as Internet users, in addition to others outlined below.

- Database
  - § The COGCC maintains a comprehensive database of regulated facilities (wells, pits, injection sites), incidents (inspections, complaints, spills), and affiliations (companies, contacts, staff).
  - § The database cleanup project has been halted, with almost 35,000 historic well records updated. The project was stopped due to funding availability. There are a little less than 28,000 well records that have not been updated.
- Form Processor
  - § This set of applications allows users to input, route, edit, and update regulatory reports submitted by oil and gas operators.
- Geographic Information Systems ("GIS")
  - § These applications provide the capability to create custom maps, convert survey calls to geographic coordinates, and convert and utilize geographic positioning system ("GPS") data.
  - § The GIS Administrator creates daily updates for the Internet map application.
- COGIS Tools
  - § This set of applications allows staff to correct data in the database in addition to performing specialized workflow administration.

#### Remote Users

This is the final component of the COGIS system. The deployment of this system was delayed due to database synchronization problems; it is anticipated to be completed in the near future. This system will consist of Internet applications, form processor and other specific tools necessary for field staff to automate data collection and information requirements on a laptop or tablet computer.

#### Electronic Business

- There are approximately 175 operators reporting production electronically.
- An Internet available production report application that uses an XML data transfer mechanism is being tested by staff and will soon be available to industry. The XML file structure is the same as that in use by Montana, Utah, Nebraska, New York and Pennsylvania. This application was funded by the Ground Water Protection Council using a Department of Energy grant.
- COGCC, GWPC, BLM, MMS, API and agencies from several other states have been working together to establish an XML file format for permitting wells and reporting their completions. The group has completed a business case for this project and a DOE grant request has been submitted to fund the development.

#### Problems

- There have been multiple outages of the imaging system and the last files are being migrated from the old storage device to the new one. This project should be completed in the near future and the outages should cease.
- The report server has been unavailable due to configuration issues with the new security systems. These issues will be resolved and the system will be more functional in the near future.

## VII. VARIANCES

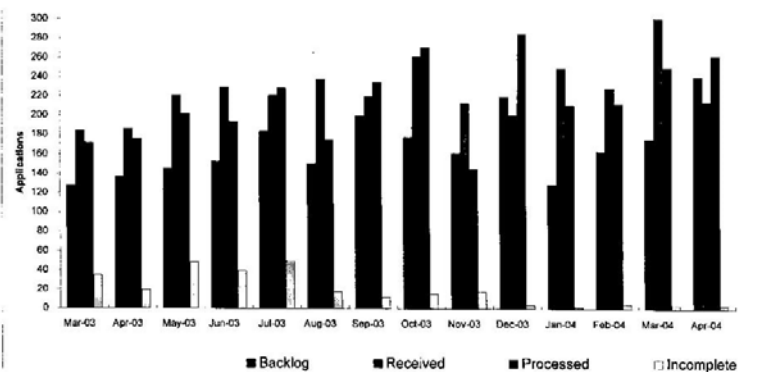


A 502.b. variance was granted to BP America Production Company for the FC Southern Ute Com 002 #2 Well which is located 96 feet from a property line instead of 150 feet as required in Rule 603.a.(2).

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

	Backlog	Received	Processed	Withdrawn	Rejected	Incomplete	In-Process	Remaining
<b>Drilling</b>								
Mar-03	126	180	167	3	0	35	100	136
Apr-03	135	179	172	1	0	20	121	141
May-03	141	168	184	12	0	48	95	143
Jun-03	143	190	170	1	0	40	122	162
Jul-03	162	200	201	12	0	49	100	149
Aug-03	149	226	166	14	0	18	177	185
Sep-03	195	188	209	6	0	12	156	165
Oct-03	188	228	244	6	0	16	130	146
Nov-03	146	204	142	5	0	15	183	203
Dec-03	203	183	259	5	0	4	118	122
Jan-04	122	240	200	2	0	2	158	160
Feb-04	160	217	206	4	0	5	182	167
Mar-04	167	316	244	5	0	4	230	234
Apr-04	234	210	257	5	0	4	178	182
<b>Recompletion</b>								
Mar-03	3	4	5	0	0	0	2	2
Apr-03	2	7	4	0	0	0	5	5
May-03	5	23	18	0	0	0	10	10
Jun-03	10	40	24	4	0	0	22	22
Jul-03	22	21	28	13	0	0	2	2
Aug-03	2	12	9	0	0	0	5	5
Sep-03	5	32	26	1	0	0	10	10
Oct-03	10	34	28	0	0	0	16	16
Nov-03	15	10	4	5	0	0	17	17
Dec-03	17	18	27	0	0	0	8	8
Jan-04	8	10	12	2	0	0	4	4
Feb-04	4	13	7	0	0	0	10	10
Mar-04	10	22	7	17	0	0	8	8
Apr-04	8	6	7	0	0	0	7	7
<b>Total</b>								
Mar-03	128	184	172	3	0	35	102	137
Apr-03	137	186	176	1	0	20	126	146
May-03	146	221	202	12	0	48	105	153
Jun-03	153	230	194	5	0	40	144	184
Jul-03	164	221	229	25	0	49	102	161
Aug-03	151	238	175	14	0	18	182	200
Sep-03	200	220	235	7	0	12	166	178
Oct-03	178	262	272	6	0	16	146	162
Nov-03	162	214	146	10	0	18	200	220
Dec-03	220	201	286	5	0	4	126	130
Jan-04	130	250	212	4	0	2	162	164
Feb-04	164	230	213	4	0	5	172	177
Mar-04	177	338	251	22	0	4	238	242
Apr-04	242	216	264	5	0	4	185	189

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



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

Colorado Oil Gas Conservation Commission  
Monthly Statistics

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YEAR	MO	Baker - Hughes rig count	Permits								Active Wells	Unedited Historic Records	Public Visits			Well Oper Change
			Drilling		Recompletion		Injection		Pits				Data	Office	Internet	
			Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd						
2001	Total		2271	2301	164	152	22	22	235	246			925	1306	104824	6413
2002	JAN	25	162	178	4	4	2	0	43	27	22873		73	95	11673	1000
	FEB	27	164	210	9	7	2	1	9	25	22911		76	68	13679	209
	MAR	25	194	173	8	12	2	3	31	11	22930		58	55	13184	183
	APR	28	175	177	11	12	3	4	2	26	23040		65	67	12935	737
	MAY	33	173	202	15	26	6	7	41	10	23098		64	90	14492	207
	JUN	34	183	124	27	19	0	1	1	5	23156		57	69	13747	499
	JUL	31	140	171	20	16	2	1	7	30	23242		51	105	14801	199
	AUG	30	177	167	3	8	1	1	36	14	23273		50	71	15554	209
	SEP	24	117	170	7	17	2	3	13	37	23352		65	46	15810	184
	OCT	25	209	188	25	14	5	4	12	11	23488		45	59	18423	539
	NOV	24	170	148	37	36	3	0	8	31	23608		63	68	15932	348
	DEC	27	144	143	8	6	2	0	49	2	23711		51	81	15460	241
2002	Total		2008	2051	174	177	30	25	252	229			718	874	175690	4555
2003	JAN	31	174	180	8	11	2	2	3	15	23963		82	88	16623	506
	FEB	32	158	163	21	18	1	0	1	3	24118		62	77	19140	191
	MAR	30	167	180	5	4	1	2	15	9	24212		51	55	18922	177
	APR	35	172	179	4	7	2	7	5	24	24363		63	123	21679	198
	MAY	37	184	198	18	23	5	0	29	132	24445		52	99	22307	477
	JUN	37	170	190	24	40	0	0	32	21	24489		59	65	20883	339
	JUL	40	201	200	28	21	0	4	136	17	24589		50	48	22779	415
	AUG	43	166	226	9	12	0	2	2	32	24655		53	43	17900	245
	SEP	48	209	188	26	32	2	2	13	30	24808		41	31	22718	234
	OCT	46	244	228	28	34	2	2	5	54	24901		41	38	29413	391
	NOV	44	142	204	4	10	1	0	6	13	24911		22	38	27961	208
	DEC	44	259	183	27	18	2	1	115	31	25042		34	50	21631	254
2003	Total		2246	2319	202	230	18	22	362	381			610	755	261956	3635
2004	JAN	45	200	240	12	10	0	1	35	7	25283		37	49	31236	352
	FEB	46	206	217	7	13	3	0	1	0	25423		44	30	31292	236
	MAR	50	244	316	7	22	2	3	1	5	25561		51	70	32931	280
	APR	51	257	210	7	6	4	2	34	32	25666		58	64	33241	98
2004	Total		907	983	33	51	9	6	71	44			190	213	128700	966

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

## Colorado Oil Gas Conservation Commission

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## Monthly Statistics

YEAR	MO	Bonds														Remediation Projects			Field Insp
		Operators		Release		Claim		Hearings		Violations			Cmpl't	Spills	Rcvd	Comp			
		New	Inactive	Ind.	Blnt	Replace	Ind.	Blnt	Apps	Order	NOAV	AOC					OFV		
2001	Total	77	57	33	28	104	2	1	53	40	259	9	2	217	202	97	98	7240	
2002	JAN	7	9	3	3	6	0	0	6	7	19	1	2	16	20	17	0	415	
	FEB	10	4	1	0	5	0	0	6	4	34	0	1	11	29	6	6	449	
	MAR	6	8	3	3	10	0	0	3	2	19	0	2	5	32	8	5	572	
	APR	7	10	8	3	10	1	0	5	4	28	0	0	10	11	9	10	353	
	MAY	5	11	6	14	6	0	0	NA	NA	29	NA	NA	16	19	4	7	805	
	JUN	5	12	3	10	8	0	1	6	4	17	0	1	11	20	5	8	857	
	JUL	2	6	2	7	12	1	0	6	5	26	2	0	23	14	10	3	936	
	AUG	6	11	6	5	8	0	0	5	4	72	1	1	17	14	2	2	654	
	SEP	4	5	8	3	8	0	0	17	16	20	0	14	21	13	5	2	369	
	OCT	3	12	8	6	5	0	0	3	2	10	0	0	17	10	7	7	346	
	NOV	5	3	3	0	15	0	0	NA	NA	1	NA	NA	15	12	4	3	377	
	DEC	3	6	11	4	5	0	0	6	4	5	1	0	14	12	3	5	366	
2002	Total	63	97	62	58	98	2	1	63	52	280	5	21	176	206	80	58	6499	
2003	JAN	8	6	8	3	5	0	0	3	4	30	1	0	5	20	6	1	522	
	FEB	10	7	2	2	10	0	0	4	2	10	1	0	9	16	3	8	590	
	MAR	6	8	5	4	13	0	0	7	3	8	1	0	13	17	4	1	655	
	APR	6	4	9	1	7	0	0	7	5	24	0	1	22	17	6	1	645	
	MAY	5	3	2	5	10	0	0	NA	NA	8	NA	NA	14	17	6	3	857	
	JUN	3	6	2	3	8	3	0	7	4	5	1	0	20	20	5	9	765	
	JUL	5	6	3	2	15	0	0	1	0	17	0	0	17	23	3	1	529	
	AUG	6	7	4	1	8	0	0	6	7	12	2	0	9	14	5	2	631	
	SEP	8	12	10	0	10	0	0	3	2	16	0	0	13	21	4	1	702	
	OCT	10	7	6	7	12	0	0	2	2	9	0	1	14	24	13	7	589	
	NOV	5	3	2	3	12	0	0	NA	NA	9	NA	NA	8	18	21	8	514	
	DEC	9	3	5	0	14	0	0	5	2	13	1	0	13	15	3	3	505	
2003	Total	81	72	58	31	124	3	0	45	31	161	7	2	157	222	79	45	7504	
2004	JAN	5	10	8	7	5	0	0	9	8	10	4	0	14	21	3	2	622	
	FEB	5	4	4	3	11	0	0	7	3	16	2	0	14	22	2	4	744	
	MAR	3	7	5	8	7	0	1	16	16	15	13	0	18	21	9	4	705	
	APR	7	8	7	4	11	0	1	4	4	48	1	0	8	20	2	0	566	
2004	Total	20	29	24	22	34	0	2	36	31	89	20	0	54	84	16	10	2637	

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

MAY 13, 2004 GLENWOOD SPRINGS POST INDEPENDENT

# Energy expo gives industry chance to tout jobs, explain operations

BY CARRIE CLICK  
Post Independent Staff

RIFLE — The EnCana Energy & Job Fair had only been open for 15 minutes when about 100 people were milling around the Garfield County Fairgrounds' indoor arena.

"We advertised the expo opening at 2 p.m., and already, it looks like we're getting a great turnout," said Kathy Friesen, EnCana community liaison.

"Last year, about 500 people attended the expo, and it only ran from 3 to 8," Friesen said. "We expect to surpass that number this year."

More than 30 gas and oil companies, contractors and government agencies set up booths in the arena, and in the south hall under the fairground grandstands.

Representatives from drilling companies, frac-ing equipment manufacturers, trucking companies, computer monitoring programs and nearby colleges passed out free pens and ball caps — and lots of brochures — to people passing by.

The purpose of the job fair and expo, now in its second year, is for people to "get information, fill out applications, pass out résumés, and learn about the oil and gas industry," said Friesen.

Garfield County oil and gas auditor Doug Dennison said the expo gives people an opportunity to get an up-close look at the industry from a person-to-person perspective.

"The public is concerned with the impact that exploration and production of natural gas is having on the area," Dennison said. "As a liaison between

"I want people to understand what it is that we do."

Gary Morris  
Halliburton

government, citizens and industry, I see the need for educational forums. The expo fills this need as well as showing industry's willingness to de-mystify their activities."

At the Halliburton booth, Gary Morris, who works in human resources in the company's Rock Springs, Wyo., operation, explained Halliburton's energy services in the western United States.

"Under Halliburton's international umbrella, there's a wide range of energy services, like contracting in Iraq," he said. "What we do here is all service work related to drilling oil and gas, except the drilling rigs themselves."

Equipped with drilling bits, diagrams and sand samples, Morris demonstrated how natural gas and oil is extracted from the ground.

"I want people to understand what it is that we do," he said.

Halliburton's competitor, Schlumberger, also had a booth at the expo. Schlumberger is also an international gas and oil industry company that serves companies like EnCana and Williams.

"We take geologic measurements to determine where oil and gas is," said Ian Rivers of Schlumberger's Grand Junction operation. "And technology that we're developing helps save natural

resources, and not only just for the gas and oil companies."

Over at the south hall media center, EnCana staffers were well equipped to answer questions regarding the recent discovery of gas seeping into Divide Creek south of Silt.

"EnCana is working with 30 residents to test 47 wells, ponds and springs," stated a press release included in the expo's media packet. "Sampling results from all monitoring stations in the seep area of Divide Creek show no detectable hydrocarbon constituents including benzene, toluene, ethylbenzene and xylene." (See related story, page 5.)

Also in the south hall, Jim Byers of the Bureau of Land Management's Glenwood Springs office had topographic maps set up at the BLM booth showing all existing and approved wells in Garfield County. The tiny red and yellow dots indicating wells were scattered through the countryside south of Silt, while large compacted clusters of wells appeared near Rulison and again near Parachute.

Two colleges also had booths at the expo: Mesa State College and Colorado Mountain College.

"We're here to see how we can help train workers already working in the field," said Teri Masten, CMC division director. "We also offer safety courses, and we have a very strong natural resource management program. We'd like to see how we can partner with some of these companies to train people for the industry."

Contact Carrie Click: 945-8515, ext. 518  
cclick@postindependent.com

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## MAMM CREEK GAS FIELD - WEST DIVIDE CREEK GAS SEEP COGCC FACT SHEET

- **MARCH 30, 2004** – COGCC reviews EnCana's Sundry Notice for remedial cementing of two recently drilled gas wells, the Schwartz 2-15B and the Brown 11-2C. COGCC asks EnCana why this needs to be done and is told that EnCana is not satisfied with the production casing cement jobs and that high bradenhead gas pressures had been measured in both wells. COGCC tells EnCana to run noise and temperature logs to determine where the gas is entering the boreholes and then to proceed with remedial cementing.
- **APRIL 1, 2004** – COGCC is notified by concerned citizens that gas is bubbling up in West Divide Creek and in a couple of stock ponds. COGCC notifies EnCana, meets with landowners, and inspects site. COGCC observes the bubbling gas. In response to a notification by the EPA, representatives of the local fire department also are on site. After discussion it is agreed that the COGCC should take the lead in investigating the cause of the gas seep. COGCC discusses the situation with DOW, who also had inspected the site.
- **APRIL 2, 2004** – COGCC meets with landowners, EnCana, and Garfield County personnel, and inspects site. Gas and water samples are collected from West Divide Creek at the location of the gas seep. A sample of the Williams Fork Formation production gas from the Twin Creek 1-15B and samples of the bradenhead gas from the Schwartz 2-15B and the Brown 11-2C are also collected. The West Divide Creek water sample is submitted for analysis of benzene, toluene, ethylbenzene, and xylenes (BTEX), pH, and total dissolved solids (TDS). The four gas samples are submitted for compositional and stable isotopic analysis.
- **APRIL 5, 2004** - COGCC collects a bradenhead gas sample from the Morgan 12-14B (N12). This sample is submitted for compositional and stable isotopic analysis.
- **APRIL 6, 2004** – COGCC receives the analytical results for the water sample collected from the West Divide Creek seep. Benzene, toluene, and m,p xylenes were detected at concentrations of 99, 100, and 17 micrograms per liter (µg/l), respectively. This indicates that the gas seeping into West Divide Creek is not biogenic methane gas, but rather thermogenic gas. COGCC notifies CDPHE - Water Quality Control Division (WQCD) as required by our MOA.
- **APRIL 8, 2004** - COGCC receives the results of the gas analyses for the samples collected from the West Divide Creek seep, the Schwartz 2-15B bradenhead, the Brown 11-2C bradenhead, and the Twin Creek 1-15B. Comparison of the analytical results indicates that the gas in the two bradenhead samples and the gas seeping into West Divide Creek are thermogenic gas from the Williams Fork Formation.
- **APRIL 8, 2004** – COGCC meets with EnCana and Garfield County personnel, and landowners. COGCC surveys 0.5 miles of West Divide Creek and 2 stock ponds in which gas bubbles had been observed, and collects surface water samples upstream and downstream of the main gas seep area and in the 2 stock ponds. Samples are submitted for analysis of BTEX, methane, TDS, major anions and cations, and other parameters. BTEX was not detected in any of these 4 surface water samples. Methane was detected in all 4 samples, with the highest concentrations of 0.76 milligrams per liter (mg/l) and 0.1 mg/l detected in the 2 stock ponds. Gas samples were collected from the 2 ponds for stable isotope and compositional analysis.
- **APRIL 9, 2004** – COGCC collects samples from 4 water wells for analysis of BTEX, methane, TDS, major anions and cations, and other parameters. BTEX was not detected in any of these 4 water well samples and low concentrations of methane were detected in all 4.

- **APRIL 12, 2004-** Brian Macke, COGCC-Deputy Director and other COGCC Staff brief the Garfield County Commissioners about the ongoing investigation and the results to date of the environmental sampling. They also meet with the owner of the land on which the seep is located to discuss his concerns and to update him on COGCC's investigation.
- **APRIL 13, 2004 -** Brian Macke, COGCC-Deputy Director and other COGCC Staff, and Encana personnel meet with the affected landowners and the Grand Valley Citizens Alliance and update them on the mitigation measures and ongoing environmental monitoring. In addition, COGCC staff continues to keep the WQCD apprised.
- **APRIL 17, 2004 -** EnCana's consultant, Cordilleran collects five 24-hour air toxics samples from locations adjacent to the West Divide Creek seep area and two adjacent residences. Very low concentrations of ethanol, hexane, cyclohexane, and heptane are detected at some of the sites. EnCana is having the analytical results reviewed by an industrial hygienist.
- **APRIL 19-20, 2004 -** COGCC collects samples from a water well and from the bradenhead of the Arbaney 3-15C gas well. Both samples are submitted for stable isotope and compositional analysis of the gas. Results from the water well show the presence of thermogenic gas; however, the isotopic signature of this gas is different than other gas samples collected for the West Divide Creek seep investigation. The analytical results for the bradenhead sample from the Arbaney 3-15C well show that it is Williams Fork Formation gas.
- **APRIL 20, 2004 -** EnCana conducts soil gas surveys at residences near the seep. Results show no evidence of methane gas in the soils above natural concentrations. On behalf of EnCana, Colorado Mountain College's (CMC) natural resources staff initiate biological monitoring to identify impacts, if any, to aquatic life. Landowners have joined in this effort.
- **AS OF APRIL 21, 2004 -** EnCana has tested approximately 30 water wells, ponds, and springs. To date, benzene, toluene, ethylbenzene, total xylenes (BTEX) have not been detected in any of these samples. EnCana will continue to test these sites once a week through mid-May. EnCana continues to supply water to 20 residences and will install carbon filtration systems for those residents who want them.
- **APRIL 22, 2004 -** COGCC Commissioners conduct an emergency hearing and approve an order for the expenditure of an additional \$50,000 from the Environmental Response Fund (ERF) balance to pay for the COGCC's West Divide Creek gas seep investigation.
- **APRIL 23, 2004 -** COGCC issues a Notice of Alleged Violation (NOAV) to EnCana for the Schwartz #2-15B well. The NOAV, which is part of the COGCC's enforcement process, specifies that EnCana did not prevent the contamination of fresh water resources, did not cement an oil and gas well properly, and did not notify the COGCC Director when there was a release and when public health or safety were in jeopardy. The NOAV specifies that by May 8, 2004 EnCana must submit:
  - a Form 27 Site Investigation and Remediation Work Plan that ensures public safety is protected and mitigates impacts to water resources.
  - a detailed narrative explaining how the Schwartz #2-15B well was drilled and completed, and what occurred that resulted in Williams Fork Formation natural gas, benzene, and other hydrocarbon compounds seeping into West Divide Creek and nearby ponds.
- **ONGOING -** COGCC Staff continues our investigation and response to citizens concerns.

## West Divide Creek Natural Gas Seep - COGCC's Answers to Frequently Asked Questions

### Where is the natural gas seep on West Divide Creek?

The seep is located in the West Divide Creek (Section 12, Township 7 South, Range 92 West), approximately six miles south of Silt, Colorado. A stretch of West Divide Creek approximately 200 yards long and a nearby pond were initially affected by the seep. Remedial cementing of the Schwartz 2-15B has resulted in a significant reduction in the size of the affected area and the volume of gas being released.

### What is the cause of the natural gas seep in West Divide Creek?

COGCC believes that the natural gas seep was caused by a subsurface release of gas from a natural gas well, the Schwartz 2-15B operated by EnCana Oil & Gas (EnCana). The Schwartz 2-15B is located in Section 2, Township 7 South, Range 92 West approximately 3,000 feet northwest of the seep. In early February 2004 this natural gas well was completed in the Williams Fork Formation at a depth of approximately 6,400 feet below the ground surface.

### Did fracture stimulation ("fracing") cause the release of the natural gas from the Schwartz 2-15B well?

No. The release of the natural gas from the Schwartz 2-15B well was the result of a failure of the casing cementing operation used to isolate the Williams Fork Formation from shallower strata of rock within the well bore. Cement from the top of the well bore sank, which allowed approximately 4,000 feet of the well bore to remain "open". This "open" section of the well bore allowed natural gas from the Williams Fork Formation to migrate up the well bore into shallower rocks and along natural fractures, and then discharge into West Divide Creek. At no time during "fracing" did EnCana record pressure changes that would indicate that the "frac" job was not restricted to the target formation. Additionally, EnCana used carbon dioxide gas and high total dissolved solids (TDS) water for "fracing" the Schwartz 2-15B well; so if the seep had been caused by "fracing", then high concentrations of carbon dioxide and high TDS water, as well as methane, would have been detected in the gas seep. Although gas from the Williams Fork Formation has been detected in West Divide Creek, only naturally occurring levels of carbon dioxide, which are the result of the mixing of the seep gas with air, and TDS have been detected.

### How does the COGCC know that the Schwartz 2-15B well was the cause of the gas seep and not another production well in the area?

To identify the cause of the gas seep, the COGCC staff reviewed records from and inspected gas wells near the West Divide Creek seep. Only the conditions in the Schwartz 2-15B well strongly suggested that it was the source of the gas in the seep. In addition, since April 5, 2004, when the remedial cementing of the upper 4,000 feet of the Schwartz 2-15B well was completed, the volume and size of the gas seep on West Divide Creek has decreased significantly.

### What about the presence of benzene in West Divide Creek?

Samples of the creek water collected right at the main seep have had low concentrations of benzene. The initial water sample collected by the COGCC on April 2, 2004 had a benzene concentration of 99 micrograms per liter ( $\mu\text{g/l}$ ). By April 19, 2004, the concentration of benzene in the creek water right at the seep had decreased to less than 10  $\mu\text{g/l}$  and it is now fluctuating between less than 2  $\mu\text{g/l}$  and not detected. In addition, benzene has not been detected in any of the creek water samples collected at monitoring location #6, which is approximately 500 feet downstream of the seep.

### All of the water wells near the seep have methane in them. Have they been impacted by gas wells too?

The water wells in this area are completed in the Wasatch Formation, which is known to contain gas bearing rocks, so low concentrations of methane are not unusual or unexpected. Methane has been detected in almost all of the water wells around the West Divide Creek seep. However, EnCana had sampled many of these wells about a year ago and methane concentrations then were about the same as those detected recently, so the subsurface release of gas from the Schwartz 2-15B well was not the source of the gas in any of the water wells. Methane in one water well was higher than it had been a year ago, but stable isotope analysis of a sample from this water well showed that it was not Williams Fork Formation gas.





550 15th Street, Suite 500  
Denver, Colorado 80202

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MAY -7 04

May 6, 2004

COGCC

Morris Bell  
Operations Manager  
Colorado Oil and Gas Conservation Commission  
1120 Lincoln St., Suite 801  
Denver, CO 80203

Re: In the Matter of the Application of Public Service Company of Colorado for an  
Order Authorizing the Closure of the Leyden Underground Natural Gas Storage  
Facility in Jefferson County, Colorado  
COGCC Cause No. 146; Docket No. 0304-GA-02

Dear Mr. Bell,

The purpose of this letter is to notify the Colorado Oil and Gas Conservation Commission of a find of storage gas in a water well recently drilled in Section 23, T2S, R70W, Jefferson County, Colorado, approximately 1200 feet north of Public Service Company of Colorado's ("Public Service") Leyden Natural Gas Storage Facility. As you know, Public Service has taken the Leyden Facility out of operation and is in the process of closing the Leyden Facility through the flooding of the underground caverns with potable water supplied by the City of Arvada, all in accordance with the Closure Plan, as amended, modified and approved by the Commission on August 19, 2003.

Pursuant to the well permit notification procedures adopted by the Commission as part of the Closure Plan, the water well permit for this well was reviewed by both my office and the Commission staff earlier this year. That well, drilled by Consolidated Mutual Water District, was drilled to the Foxhills sand. During a pump test following the completion, gas was encountered and the drilling consultant, Chris Sanchez of Bishop-Brogden Associates, called my office on April 20, 2004. I notified your office by phone at that time.

I visited the well location the following day and a sample of the gas was drawn by Public Service Company to be analyzed in a laboratory for identification. The results indicate that gas is storage gas with a similar composition to gases present in our system during the 1960's and early 1970's and not storage gas present in the cavern during the commencement of closure operations.

At the conclusion of the pump test, Public Service arranged for and ran Schlumberger RST, temperature and fluid density logs to identify the source of the gas within the well bore. These logs are currently being analyzed by our consultants, Dave Cox and Robert Weimer.

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JAN 11 2005  
COCOA

Additionally, we are having a geologic cross section prepared that includes this new data that will be copied to you when completed. Preliminary results indicate that the gas is located in a Lower Laramie sandstone formation approximately 620 feet below the surface. This is consistent with the evidence presented by Public Service Company of Colorado to the Commission during the hearings in the above matter concerning the possible location of storage gas in underground formations outside of the original mined-out caverns, both currently and after closure. As indicated by the evidence in that proceeding, the presence of storage gas in Lower Laramie sandstone formations on and near the Leyden Facility presents no risk of migration to the surface, except where wells are drilled through such gas-bearing sandstones.

Public Service Company will continue to investigate this matter and present our findings to your office as more information becomes available.

As always, I am available to discuss this or other matters regarding the Leyden Facility at (303) 571-7383

Sincerely,



Bill Uding  
HP Gas Engineering Projects Director



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MAY -5 04

COGCC

550 15th Street, Suite 500  
Denver, Colorado 80202

April 26, 2004

Colorado Oil and Gas Conservation Commission Staff  
Suite 801  
1120 Lincoln St  
Denver, CO 80203

Quarterly Report of Closure Activities and Monitoring of the Leyden Gas Storage Facility.

Dear OGCC Staff:

This is the third quarterly report of activities and accomplishments in the effort to close the Leyden Gas Storage Facility and covers the period from December 31, 2003 to March 31, 2004.

During this period, the City of Arvada continued the process of filling the storage caverns with treated water. As of March 31<sup>st</sup> a total of 769 acre feet of the required 2100 acre feet had been injected into the #12 well located in the west cavern.

All sites for additional soil gas monitor stations have been installed and initial testing has been done. A map showing the location of all soil gas sampling points is enclosed. Results of the current round of soil gas monitoring data including sample point locations is included.

Updated plots of Leyden Pressure vs. Volume, Leyden Water Injection History and the two trace plots showing Field Pressures measured at gas well #9 vs. Time and the Volume of Gas in Storage vs. Time are presented in their previous format. These plots are also included in pdf files on the enclosed diskette.

Work started on plugging the observation wells. As of March 31, 2004, 10 wells had been plugged and abandoned, those being well # 2, 17a, 17b, 20, 23, 24, 27, 28, 29 and 32.

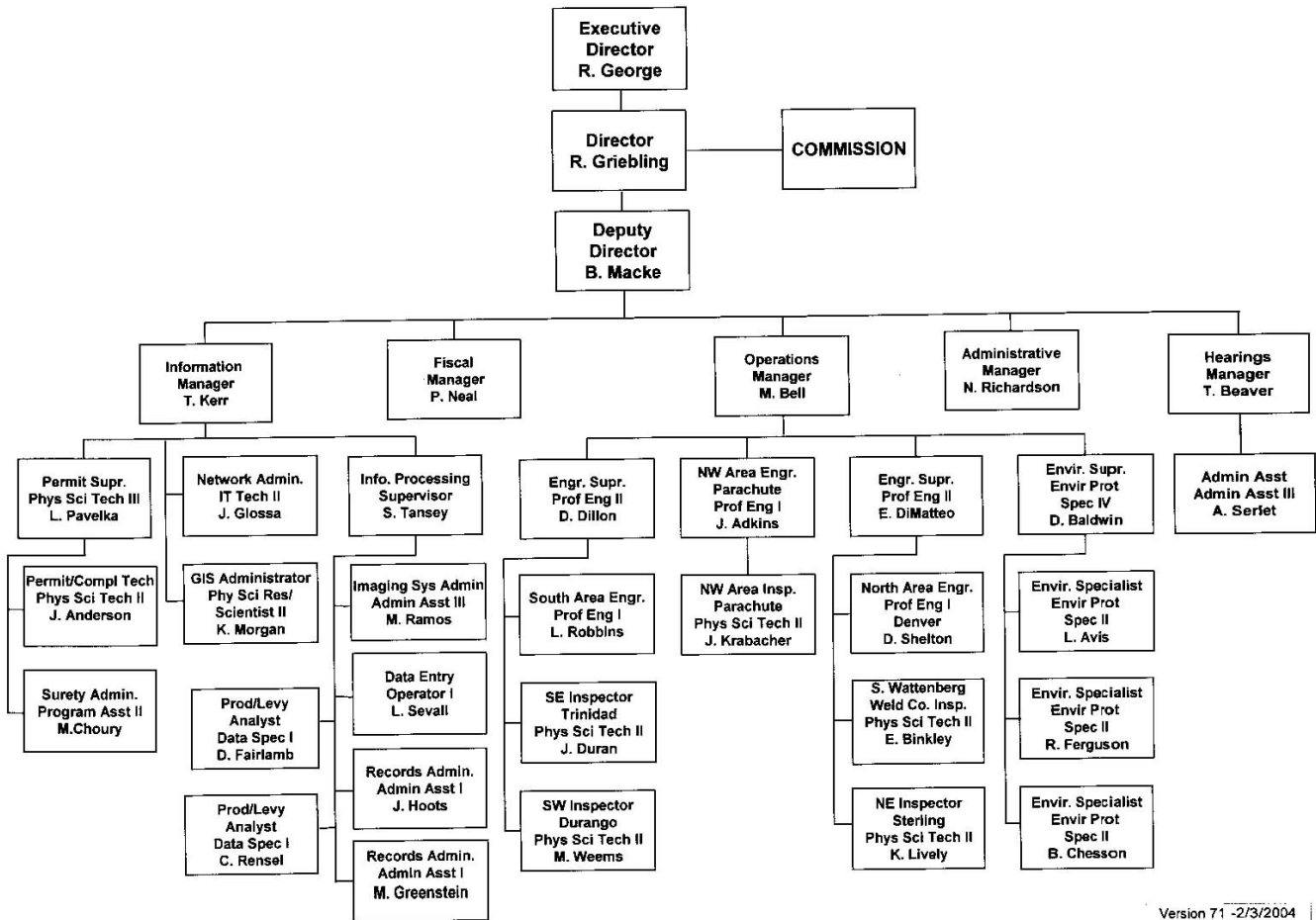
Beginning next quarter gas from Well #36 will be metered and vented.

If you would like to discuss any of this information, please don't hesitate to contact me at 303 571-7383.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Uding". The signature is stylized with a large, looped "B" and a long, sweeping underline.

Bill Uding

**COLORADO OIL & GAS CONSERVATION COMMISSION ORGANIZATION**



**COLORADO OIL & GAS CONSERVATION COMMISSION  
2003 OUTSTANDING OIL & GAS OPERATIONS AWARDS**

CALL FOR NOMINATIONS (Due June 1, 2004)

**CATEGORIES:**

Exploration	Water Quality Protection
Production Enhancement	Surface Owner Impact Mitigation
Enhanced Recovery	Noise Impact Mitigation
New Technology Application	Visual Impact Mitigation
Well Completion/Stimulation	Reclamation
Horizontal Drilling	E & P Waste Management
Optimization & Cost Reduction	Local Government Coordination
Pipeline/Gathering System Projects	Community Relations
Environmental Protection	

Other categories selected by the Commission

**PROCESS:**

Nomination Any oil & gas operator or other interested stakeholder may nominate a 2003 Outstanding Oil & Gas Operation by submitting the below nomination form to: COGCC, Attention: Morris Bell, 1120 Lincoln Street, Suite 801, Denver, CO 80203, no later than June 1, 2004. Some phase of the nominated operation should have occurred in 2003.

Review COGCC staff will review all nominations, collect relevant data, make field inspections as appropriate, and provide comments to the Commission.

Selection The Commission will coordinate selection of award recipients by July 13, 2004.

Presentation Awards will be presented by the Governor or a Governor's Representative.

**NOMINATION FORM**

COMPANY:	_____
ADDRESS:	_____
CONTACT PERSON:	_____ PHONE: _____
OPERATION LOCATION:	_____
OPERATION DESCRIPTION:	(attach detailed narrative, photo, diagrams, data and other appropriate information)
_____	

**PENALTY PAYMENT STATUS**  
05/17/04

**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	23	\$47,750	7	\$24,750	0	\$0	0	\$0
03-04	24	\$127,000	18	\$76,000	0	\$0	0	\$0
<b>Totals</b>	<b>221</b>	<b>\$1,330,725</b>	<b>142</b>	<b>\$704,065</b>	<b>9</b>	<b>\$194,750</b>	<b>2</b>	<b>\$115,105</b>

**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., 802.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.l., APD	District Court decision entered/\$10,000 bond claimed	Yes
1V-124	07/01/97	Nerdihc 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 claimed	Yes
1V-170	03/25/99	Allen Oil & Gas, LLC	\$12,000	Rules 904, 905, 603.g., 906, 909.b.(2) &(5), 91C	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., 908.b.(1), 908	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
1V-227 - 1V-236	09/21/02	DJ Production Svcs, Inc.	\$14,000	Rule 309., 310A., 319.b.(1), 319.b.(3), 326.b.		Yes
1V-237	09/21/02	DJ Production Svcs, Inc.	\$1,500	Rule 326.b.		Yes
1V-239	09/21/02	DJ Production Svcs, Inc.	\$500	Rule 309.		Yes
1V-240	09/21/02	DJ Production Svcs, Inc.	\$1,500	Rule 324A.a., 907.a., 910.a.		Yes
1V-245	08/02/03	Fredrick Shaffer	\$4,000	Rule 326.b.		Yes
<b>Total Penalties Pending Collection</b>			<b>\$255,800</b>			