



Staff Report

October 26, 2009

I. STATISTICS

Our monthly statistics and permit activity report are on pages 12 through 14. A separate detailed permit report will be compiled and made available as a separate informational package at the hearing. This package will include the tables of information that were previously included here in the staff report, as well as the detailed permit and location assessment processing statistics. This package will be included at the back of the staff report which is available on the website.

II. NORTHWEST COLORADO

◆ Northwest Colorado Oil and Gas Forum

The Forum is an informal gathering of local, state, and federal government officials, oil and gas industry representatives, and citizens that have met regularly since 1989. The purpose of the Forum is to share information about oil and gas development in northwest Colorado and to make government officials and oil and gas industry representatives easily accessible to the public. Currently the meetings are conducted once per quarter and are co-chaired by the COGCC's Director, Dave Neslin, and Garfield County Commissioner, Mike Samson.

The next meeting is scheduled for December 3, 2009, at 10:00 am at the Garfield County Fairgrounds in Rifle, CO.

All parties wishing to be placed on the meeting agenda should contact Chris Canfield at: 970-625-2497 or via email at: chris.canfield@state.co.us.

III. SOUTHWEST COLORADO

◆ Ongoing Investigation, Reclamation, and Mitigation of Residual Methane in the Vicinity of the Bryce 1-X Well Area, Bondad, Colorado

The next well sampling event is planned for early 2010. No additional soil gas sampling is scheduled unless conditions, such as methane concentrations in all of the water wells, change. The reports of ongoing activities are available on the COGCC website Library (www.colorado.gov/cogcc, Library, San Juan Basin\ Bondad).

◆ Gas and Oil Regulatory Team (GORT) Meeting

The next GORT/Southwest Colorado Oil and Gas Stakeholders meeting is scheduled for January 14, 2010, at 8:30 am at the La Plata County Fairgrounds in Durango, Colorado.

All parties wishing to be placed on the next meeting agenda should contact Karen Spray at: 970-259-1619 or karen.spray@state.co.us. Demonstrations of new technology or unique solutions to problems are always well received.

◆ Fruitland Formation Outcrop Mitigation and Monitoring Projects (4M Projects)

Fruitland Formation Mapping - Archuleta County. As part of the 4M Projects, the Colorado Geological Survey (CGS) has finalized a detailed geologic map of the Fruitland Formation outcrop in Archuleta County. This work is similar to mapping done in 1999-2000 by the CGS as part of the 3M Project. The work included mapping the surface expression of the



uppermost Cretaceous units, Pictured Cliffs Sandstone, Fruitland Formation, Kirtland Shale, along the rim of the San Juan Basin in Archuleta County between the La Plata-Archuleta County line and the northern boundary of the Southern Ute Indian Reservation. CGS is working to complete the report associated with the results of the mapping project. The final map and associated report will be posted to the website after receipt from the CGS. The mapped extent of the Fruitland Coal outcrop in Archuleta County is now available in COGIS as the layer "San Juan Basin - Archuleta_Kf."

Fruitland Formation Outcrop - 4M Pilot Scale Mitigation Projects La Plata County. Further optimization of the South Fork Texas Creek (SFTC) system is ongoing. The turbine is currently set at an operational rate of 14KW with no apparent negative impact to the vacuum/pressure or gas quality in the system. Approximately 6KW are utilized to run the system and 8KW are currently being placed back into the electrical grid. Gas continues to be collected and vented at the Pine River Ranches (PRR) location. The COGCC Commissioners, Director, and staff toured the SFTC site and met with Greg Munro, CEO of La Plata Electric Association (LPEA) on September 24, 2009. LPEA enthusiastically supports the project. Data collection and assessment will continue for a period of one year.

4M Monitoring Wells La Plata County. As has been discussed in previous staff reports, the proposed 4M monitoring wells in La Plata County, along with those already installed in Archuleta County, are an extension of the 3M monitoring well network. They will be used to monitor water levels and formation pressures only and will not be used to extract any mineral resource and, as such, they will not impact any mineral rights nor will they deplete any mineral resource.

Site preparation activities began September 21, 2009. The first borehole at The BP Highlands location was spudded and surface casing was set on October 1, 2009.

4M Monitoring Wells Archuleta County. COGCC conducted a pre-reclamation site visit with the U.S. Forest Service (USFS) and Souder Miller and Associates (SMA) on June 23, 2009, to confirm USFS requirements for final site reclamation. Site re-contouring, topsoil replacement, and reseeding have been completed. Comments from the adjacent landowner at Wagon Gulch and from USFS were very complimentary of the project and the final reclamation work. Pressure data from one of the wells at Wagon Gulch indicates a potential leak in the well-head. Applied Hydrology Associates will investigate and attempt to repair this leak during their next site visit.

SMA has provided the COGCC staff a draft report for the monitoring well installation and reclamation conducted in 2008 and 2009. COGCC staff have reviewed the report and provided comments to SMA for incorporation into the Final Report. A copy of the final report, including formation pressures, well completion diagrams, and coal core analytical results, will be posted on the COGCC website upon completion.

◆ *3M Fruitland Formation Outcrop Monitoring Well Data Collection*

The August 2009 monitoring report is now available on the COGCC website (www.colorado.gov/cogcc, Library, San Juan Basin, 3M Project Reports, Monitoring Well Reports). All future reporting will be included with the 4M Project Reports.

◆ *San Juan Basin Coalbed Methane Water Quality Analysis (WQA)*

The objective of this study is to assess potential long-term trends in general groundwater quality in the San Juan Basin based on data available in the existing COGCC database. Work on this project has begun and a draft report should be available for staff review by the end of 2009.



◆ Northern San Juan Basin Technical Advisory Group

Steve Lindblom and Karen Spray have been participating in the Northern San Juan Basin Groundwater Model Technical Advisory Group (NSJB TAG). The NSJB TAG consists of experts in hydrogeology, groundwater modeling, geology, and water resources from industry, the Colorado Geological Survey, the COGCC, the Colorado State Engineers Office, and the Colorado School of Mines. The NSJB TAG has been meeting on a monthly basis since June 2008 to discuss technical issues related to a numerical groundwater model for the Northern San Juan Basin being developed by Norwest Applied Hydrology on behalf of several operators. A draft report was delivered on September 21, 2009 for review by the NSJB TAG.

IV. NORTHEAST COLORADO

No report this month.

V. SOUTHEAST COLORADO

◆ Methane Investigation Monitoring, and Mitigation Plan (MIMMP) - Huerfano County

Phase 1 Update

Three monitoring wells, 4 recovery, and 8 injection wells have been drilled, completed and tested by Petroglyph Energy Inc. (PEI) as part of Phase 1 of the MIMMP. Treatment under Phase 1 consists of physically separating methane from the recovered groundwater using a vertical separator. The methane is sent to a controlled flare for combustion. Operation of the pump, treatment, and injection system started on December 8, 2008. More than 7.4 million gallons of water had been pumped to the surface and treated as of September 23, 2009. More than 99% of that water has been re-injected into the aquifer after treatment.

Gas flows are monitored at 4 domestic wells by PEI or its consultant and at 2 domestic wells by COGCC and its consultant. Overall gas flow has decreased in all monitored domestic wells.

During the period from August 24, 2009, to September 23, 2009, PEI screened 84 domestic water wells for the presence of methane with hand-held methane detectors for changes in percent volume of methane, %LEL, and %O₂; 60 wells showed no methane, 3 of the monitored wells showed little change from the previous month's monitoring, 8 wells showed increases in methane concentration, and 13 wells showed decreases in methane concentration.

Petroglyph is attempting to identify into which geologic formations the monitored water wells are drilled by reviewing water well construction reports and geologic maps. Twelve of the domestic wells with detectable venting methane appear to be completed in the coal-bearing Raton or Vermejo Formations, 10 appear to be completed in the Poison Canyon Formation, and the formation in which the other 2 are completed has not been determined. Seven of the 10 methane-venting Poison Canyon domestic wells are either within or in close proximity to the MIMMP remediation system.

A helicopter borne methane survey was conducted in early September 2009. Ground verification of results is underway. The results of the combined aerial and ground surveys will be provided to the COGCC as a separate report in the near future.

Water samples were collected from 3 coalbed methane (CBM) wells (Rohr 09-04, Rohr 09-10 and Rohr -4-10). Petroglyph pumped the 3 wells for approximately 72 hours prior to sample collection as agreed to by COGCC and Petroglyph staff. Data from the analyses will be used to better understand the chemistry of water from the Vermejo and Trinidad Formations which may be used in Phase II operations.

Mitigation

PEI is currently supplying water to 16 homes upon request of the well owner. Methane alarms have been installed in 14 homes.

Phase II

The United States Environmental Protection Agency (EPA) held a public meeting in Walsenburg on August 10, 2009, regarding PEI's appli-



cations for wells that would be used to inject Vermejo Formation water produced from CBM wells into water-bearing units in the Poison Canyon Formation. PEI has submitted an application to the Division of Water Resources to ask for changes to water sources and injection as part the process of initiating Phase II. Approval to operate some of PEI's CBM wells by the COGCC will also be needed prior to initiation of Phase II.

VI. ORGANIZATION

A new department, the Field Inspection Unit, is now fully staffed as of October 1, 2009, with the first 4 people below. Mike Leonard is the third supervisor, who was profiled in the September Staff Report. All report to Manager Margaret Ash.

Ed Binkley has been selected to be the Engineering Field Inspection Supervisor for northeastern Colorado. Ed has been with the COGCC since 1988. While at the COGCC, Ed has reviewed drilling permits, inspected oil and gas facilities, and has plugged orphaned wells and reclaimed surface using Environmental Response Funds. Ed has an extensive background in the oil and gas industry including working as drilling specialist/engineer with Cities Services and conducting research on drilling fluid products for NL Industries-Baroid. Ed supervises a team of 3 Engineering Field Inspectors.

Shaun Kellerby has been selected to be the Engineering Field Inspection Supervisor for northwestern Colorado. Shaun has been with the COGCC as an Engineering Field Inspector since December 2007. He has been involved in oil and gas operations for a number of years, including supervising hydraulic fracturing operations. Shaun supervises a team of 3 Engineering Field Inspectors.

Gary Helgeland has been selected to be the Reclamation Specialist for northeastern Colorado. Gary has been with the COGCC as an Engineering Field Inspector in northwestern Colorado since 2008. Gary has an M.S. in Environmental Planning and Management, a B.S. in Petroleum Technology and Petroleum Safety and has worked extensively on environmental issues

related to oil and gas operations.

Soraya Baroumand has been hired as the Reclamation Inspector for northwestern Colorado. Soraya's background includes working as a well-site geologist throughout the Piceance Basin, working with the Division of Water Resources as a district water commissioner, evaluating well construction and reservoir impoundments, mapping diversion structures, and assisting engineers in dam stability assessments. She also has 3 years of experience conducting Phase I and Phase II Environmental Site Assessments.

Alex Fisher has accepted the position of Environmental Supervisor for western Colorado. Alex has been with the COGCC as a Permitting/Compliance Technician and Engineering/Environmental Technician since January 2006. Alex has an M.S. in Hydrogeology from the University of Nebraska-Lincoln and a B.S. in Geology from Idaho State University with over 20 years of experience in environmental consulting, project management and construction management. His experience with the intricacies of permitting and dealing with huge volumes of paperwork and data will be extremely useful as the environmental group works to improve and streamline its workload processes. Alex assumed his new responsibilities on October 1, 2009.

For a complete list of COGCC staff, please go to our website and click on "Contacts" on our homepage, and then "Staff Contact Information."

VII. PLANNING/ADMINISTRATION/OTHER

◆ Public Outreach Opportunities

Ed Binkley, Bob Chesson, and Colby Horton manned the COGCC exhibit booth at the 2nd Annual DJ Basin Energy Expo, held on September 23, 2009, at the Island Grove Events Complex in Greeley, Colorado. This event is sponsored jointly by Anadarko, EnCana, and Noble Energy to provide attendees opportunities to learn more about the oil and natural gas industry in Colorado. Of special note, the morning session, open specifically to area high school



students and teachers emphasizing energy education. The exposition was well attended with attendance approaching 1,000 and featured excellent exhibits.

◆ Onsite Inspection Policy

Under the Policy For Onsite Inspections On Lands Where The Surface Owner Is Not A Party To A Surface Use Agreement, which was effective for Applications for Permits-to-Drill (APDs) submitted after February 15, 2005, the COGCC has received to date a total of 133 requests for onsite inspections.

Twenty-nine onsite inspections have been conducted, 87 requests for inspections have been withdrawn, one onsite inspection is being scheduled, and 16 onsite inspections are pending and will be scheduled, if necessary, after the APD is received, or after issues related to local governmental designee consultation, location change, or surface use agreements are resolved.

Of the 133 requests for onsite inspection, 72 were for locations in Weld County, 24 for Las Animas County, 9 for Adams County, 7 for La Plata County, 5 for Garfield County, 3 each for Archuleta, Boulder and Yuma Counties, 2 each for Logan and Morgan Counties, and 1 each for Baca, Kiowa, and Larimer Counties.

In addition to the Onsite Inspection Policy, onsite inspections are being conducted in the San Juan Basin under Cause 112, Order Nos. 156 and 157 where an Onsite Inspection was required because an APD was submitted without a surface use agreement. Several onsite inspections under Cause 112, Orders 156 and 157 are anticipated in the next few months, depending upon operator activity in the area.

◆ Form 2A Review

COGCC has received 66 Oil and Gas Location Assessment Form 2As since the adoption of the new COGCC Rules on April 1, 2009. Of these, 51 are for locations in Weld County, 7 in Garfield County, 2 each in Broomfield, Gunnison and La Plata Counties, and one each in Lincoln and Mesa Counties. In advance of adding Oil

and Gas Location Assessment Specialists to the COGCC, COGCC Permitting and Environmental staff are reviewing the Form 2As.

◆ Plugging and Well Reclamation (PAWR) Fund Status

On page 11 is the spreadsheet listing PAWR projects for Fiscal Year '09-'10 that are planned (work has not yet commenced), and in progress (work has been completed but invoices have not yet been submitted).

◆ November 2009 Hearing Docket

A preliminary docket for the November 2009 hearing has been provided. Hearing dockets are available on our website by clicking on "Hearings." Links to the notices and hearing applications are available from the Docket Number and Applicant, respectively. To sign up for e-mail notification of hearing notices and applications, please see the announcement and instructions on the homepage of the COGCC website at: www.colorado.gov/cogcc.

◆ 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.

* 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 COGCC staff.

- * **Library**
This page contains links to documents resulting from Commission studies, activity reports, and statistical downloads. The annual statistics and the weekly/monthly statistics are available here.
- * **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 filing 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 of the Commission's orders. The search by location is still under construction as we create the map layers for all spacing orders.
- * **Forms**
All are available as Adobe Acrobat documents that can be downloaded, completed, printed and mailed; some are available as Excel and Word documents. Some example and instruction documents are viewable. The forms used by operators to submit information on location of wells and completion reports have been modified to accept latitude and longitude data. Eventually, online forms will be unknown.
- * **Staff Report**
Current and previous staff reports are viewable here.
- * **Permits**
This application shows the last 12 months of approved permits and current pending permits; it may be filtered by county.
- * **News/Media**
This category provides general information to the media. It contains statistics, charts, graphs, and other items of interest.
- * **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.

Three new map layers were added to the GIS Online main map in support of the Final Amended Rules approved in December 2008:

1. Wildlife Restricted Surface Occupancy (RSO) Areas
2. Sensitive Wildlife Habitats (SWH)
3. Rule 317B Surface Water Supply Area Buffers

These new map layers will be used to determine if a proposed drilling location is subject to the provisions of the new rules. In addition, a second map was added, entitled "Wildlife Map." The Wildlife map displays the wildlife species-specific RSO and SWH areas. The Wildlife map data were provided by Colorado Department of Wildlife (CDOW). Surface Water Supply area data were provided by Colorado Department of Public Health and Environment (CDPHE). The CDOW and CDPHE GIS staffs were very helpful regarding data requests.

A statewide water wells map layer was added to the Internet on August 5, 2005. Many thanks to the Division of Water Resources for allowing us to display its data.



The online maps and GIS download files have been updated to switch the datum used to NAD 1983.

The National Resource Conservation Service Soil Data Mart is included on our maps. Through these links the public can get reports on the soil surveys for any area of the state.

Color images obtained from the United States Department of Agriculture-Farm Service Agency are included on the COGCC Online map system. These images encompass the entire state and were taken in 2005. The black and white images were obtained from the same federal agency. These images were taken in the years between 1989 and 2001.

The COGCC, in cooperation with the BLM, added map layers containing the lease stipulations from the BLM to the COGCC GIS Online site. Among the layers available include Federal Oil and Gas leases, Federal Surface leases, BLM Master Plats, and Federal Oil and Gas Subsurface Rights.

* **Help**

In December 2008, 2 new search tools were added to the Help menu to be used in conjunction with the new map layers that were added for the Final Amended Rules.

The Oil & Gas Activity Notification Tool allows a user to enter a section-township-range of interest which returns a table identifying which quarter-quarter sections are subject to Rule 317B, Wildlife Restricted Surface Occupancy (RSO) Areas, and/or Sensitive Wildlife Habitats (SWH) requirements. The user can then click on a link which opens the map, and zoom to the section of interest for further inspection.

A second tool, the Map Temporary Coordinated Tool, allows the user to enter a latitude and longitude to view on the map. The user can then turn on the relevant map layers to see which layers intersect the enter coordinates.

A tutorial document for the COGCC Interim Policy for APDs is posted in the Help area and the homepage of the website. This document helps explain the interim process that the COGCC will be using for processing APDs until the Final Amended Rules take

effect. Included in the document are explanations on how to use the new tools and map layers that have been developed for the Final Amended Rules.

The COGCC, with assistance from the Ground Water Quality Protection Council, has produced two Macromedia Flash movies to help users understand the many features available within the COGCC GIS Online system. The movies are located by clicking on the HELP link from the main menu or by using the following link: http://colorado.gov/cogcc/COGIS_Help/Help.asp.

Two applications on the COGCC website are available to help operators with the entering of data relating to locations. The first, a Footage calculator, will take a new latitude and longitude and calculate new footage calls based on the location supplied at the time of permitting. The tool should only be used to compare locations where latitude and longitude were supplied on the permit as required by the December 1, 2005, rule change. The second application converts latitude and longitude as measured in degrees, minutes, and seconds into decimal degrees. The decimal degree format is what COGIS is expecting on all forms requiring lat/long coordinates.

The newest document to be added to our Help section is our new eForm Training Manual. This document covers the material presented in the 3 training sessions that were held to introduce the new electronic form submission tool to the industry. The new tool is expected to be available for industry to start submitting their Form 2A and Form 2 by the middle of June 2009.

The manual can be found at http://cogcc.state.co.us/COGIS_Help/eForm_training_manual.pdf

➤ **Local Area Network**

The COGCC staff is connected to services by a Local Area Network ("LAN") connection which provides email 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 and contacts).
- * **Imaging**
This application provides the capability to convert the paper documents received by the Commission to electronically available documents.
- * **Form Processors**
This set of applications allows users to input, route, edit, and update regulatory reports submitted by oil and gas operators.
- * **eForm**
This application utilizing the same code base that the industry uses to submit their APD's (Form 2) and Oil and Gas Location Assessment Form (Form 2A), is being used by staff to input, route, edit, and update these forms internally.
- * **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 data downloads.
- * **COGIS Tools**
This set of applications allows COGCC 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. This laptop system consists of Internet applications and other report tools necessary for COGCC field staff to facilitate data collection and provide information.
- * **Electronic Business**
There are approximately 200 operators reporting production electronically.

◆ **COGIS Projects, Updates and Changes**
Electronic Form Submission

As of July 1, 2009, operators have been electronically filing the "Applications for Permits-to-Drill" (APDs) and the new "Oil and Gas Loca-

tion Assessment" (OGLA) forms. The system allows the operator to submit the form and all of the required attachments in a PDF file format to the COGCC system. Benefits of the eForm's application to the operator include the ability to circulate the forms internally and check data prior to submitting to the COGCC and a decrease in the time it takes for the form to begin its regulatory review. Additional features of the new application include the tracking of the regulatory form as it is being reviewed within the COGCC, the viewing of the required attachments as the form is being reviewed, along with allowing public comments on certain regulatory forms.

Along with the eForm system, a page is available where the operators can review all known bugs within the system and report any new ones they discover.

The public can now make comments on all submitted Applications OGLA forms (Forms 2A) through the eForm system. This is accomplished by going to the COGCC website (<http://www.colorado.gov/cogcc>) and clicking on the menu option, "Permits", (or <http://cogcc.state.co.us/COGIS/DrillingPermits.asp>). On the COGIS-Permits page, two new search options have been added, "All Pending Location Assessments for" and "All Approved Location Assessments for." When the results are displayed for forms in process, the public can click on the document number, which logs the user onto the new eForm application. Once the page is displayed with the selected document, the user can select the Comment button to make a comment on that particular form. The public can use this same method to make comments on APDs.

As of October 15, 2009, 52 operators have signed up to use eForms to file their Form 2 (APD) and Form 2A (OGLA). Since September 1, 2009, operators have submitted 208 or 51% of all APDs through the eForm system and 70 or 54% of the Form 2As through eForm.

The second release of the application is in progress which will add more features and fix some of the earlier discovered bugs.



Rulemaking Activity Page

The Final Amended Rules have been published and posted to the COGCC's website homepage at: <http://www.colorado.gov/cogcc>. The pages associated with rulemaking activity, including numerous documents filed, public comments, and audio recordings of the proceedings are still available.

US Standard XML Reporting Project

The COGCC, the Ground Water Quality Protection Council, and agencies from several other states have been working together to establish an XML file format for permitting wells and reporting well completions. The working group issued a beta version to members of industry for their review and comment in February 2007. After a second set of review and discussion among the working group, the final version was published to the industry in June 2007. The next phase of this project is underway with the development of the application within the agencies to handle the submission of the XML files for processing.

LAS File Upload

All digital well logs submitted to the COGCC over the Internet are to be in LAS (log ASCII) format. In addition to the LAS file, a paper log file is still required. Additionally an operator can submit the same log file in a PDS format, but the PDS format cannot replace the LAS requirement. To submit digital well logs over the Internet, an application must be completed. The application is available from the "Forms" page on the COGCC website <http://www.colorado.gov/cogcc>. To utilize the system, the operator will need to submit a Designation of Agent Form, Form 1A. COGCC staff is working with operators and logging companies to gain compliance with the digital log submission requirement. The rule still requires the operator to submit a paper copy of each well log (Rule 308A). All operators are required to be in compliance with this Rule for all wells completed since July 2004.

Spacing Orders Project

The spacing orders are being evaluated and posted on the maps, with over 85% of the state having been reviewed. The Wattenberg Field in northeast Colorado is the only area remaining

to be completed.

Data Management of Bradenhead and Bottom Hole Pressure Systems

Development of the data entry functions for the Bradenhead test reports has been completed and implemented. The backlog of test reports have been entered, and new reports are entered as they are received. The next phase of the project will be the requirements gathering and design of the Bottom Hole Pressure data system. This phase will incorporate the current form, Bottom Hole Pressure, Form 13, for operators to use when reporting test results to the COGCC. The test results will be entered into the new tables within the COGIS system. The existing data that have already been collected will be converted to the new system as part of the project.

Mapping Directional Wellbores Project

This is an industry-sponsored project to make the directional wellbores visible on the Internet map. The COGCC, along with other states, is working with the Ground Water Quality Protection Council to establish a standard format for electronic submission of directional survey data. Many thanks to Mr. Dewey Gerdorf of Petroleum Development Corporation for his insight regarding the need for such a data set.

Delinquent Operations Report

This project created an internal application for the COGCC staff to identify forms/reports that may be required and are missing from the COGCC database. The Information Technology staff are working to develop the automated settings in the database to review data on a monthly basis and reevaluate when well data are modified. Oil and gas operators are being asked to review a list of forms/reports that have not been submitted and either provide the form/report, or provide information substantiating why it is not required.

VIII. VARIANCES

On September 29, 2009, the Director granted a variance to COGCC Rule 805.b.(2).B, which requires the installation of control devices for volatile organic compounds on certain produced water tanks. This variance was granted



to Chevron USA for a produced water tank associated with its Collection Station No. 47 (COGCC location/facility ID 413288) located in the SE¼ SW¼ of Section 35, Township 2 North, Range 102 West in Rio Blanco County. Chevron consulted with the Colorado Department of Public Health and Environment (CDPHE) about this variance request and has agreed to comply with CDPHE recommendations, which have been incorporated as conditions of approval to the variance.



Oil & Gas Staff Report

October 26, 2009

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OIL AND GAS CONSERVATION AND ENVIRONMENTAL RESPONSE FUND, BOND CLAIM, AND SPECIAL APPROPRIATIONS PLUGGING, ABANDONMENT AND WELL RECLAMATION (PAWR) PROJECTS FOR ORPHANED LOCATIONS

FISCAL YEAR 2009-2010

PLANNED

COUNTY	TYPE	PROJECT NAME	ESTIMATED FYE2010 COSTS				ACTUAL FYE2010 EXPENDITURES				DESCRIPTION
			BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS	
LA PLATA	PLUG	DAVIE #22 ABANDONMENT	\$0	\$35,000	\$0	\$35,000	\$0	\$0	\$0	\$0	Plug and abandon leaking well.
MESA	PLUG	DEBEQUE ORPHANS ABANDONMENT	\$0	\$75,000	\$0	\$75,000	\$0	\$0	\$0	\$0	Complaint. Plug and abandon two leaking wells.
MESA	REC.	RED OAK OPERATING RECLAMATION	\$0	\$5,000	\$0	\$5,000	\$0	\$0	\$0	\$0	Landowner complaint. Remove junk.
RIO GRANDE	PLUG	JYNNIFER #1 ABANDONMENT (BOND CLAIM)	\$5,000	\$45,000	\$0	\$50,000	\$0	\$0	\$0	\$0	Plug and abandon well.
WELD	REC.	POWERS #1 RECLAMATION	\$0	\$5,000	\$0	\$5,000	\$0	\$0	\$0	\$0	Well was plugged and abandoned in FYE2009. Needs reseeding.
TOTALS =>			\$5,000	\$165,000	\$0	\$170,000	\$0	\$0	\$0	\$0	

IN PROGRESS

COUNTY	TYPE	PROJECT NAME	ESTIMATED FYE2010 COSTS				ACTUAL FYE2010 EXPENDITURES				DESCRIPTION
			BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS	
ARCHULETA	PLUG.	SIERRA OIL & GAS CO. BOND CLAIM	\$26,952	\$2,019	\$0	\$28,971	\$0	\$0	\$0	\$0	Plug and abandon Schick, Mizar #1 and reclaim the surface at Binkley #2. Plug and abandon well. Reclaim surface. Work has been completed. Awaiting contractor invoice.
ROUIT	PLUG	BAIREL #2 ABANDONMENT (VOAST BOND CLAIM)	\$5,000	\$40,000	\$0	\$45,000	\$0	\$0	\$0	\$0	Landowner complaint. Plug and abandon well. Reclaim surface. Work has been completed. Awaiting contractor invoice.
TOTALS =>			\$31,952	\$42,019	\$0	\$73,971	\$0	\$0	\$0	\$0	

ESTIMATED						ACTUAL					
BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS	BOND	PAWR	SPECIAL	TOTALS
\$36,952	\$207,019	\$0	\$243,971	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

GRAND TOTALS =>

Project Types: "PLUG." indicates plugging and abandonment, "REC." indicates reclamation, and "ENV." indicates environmental.

Updated October 6, 2009

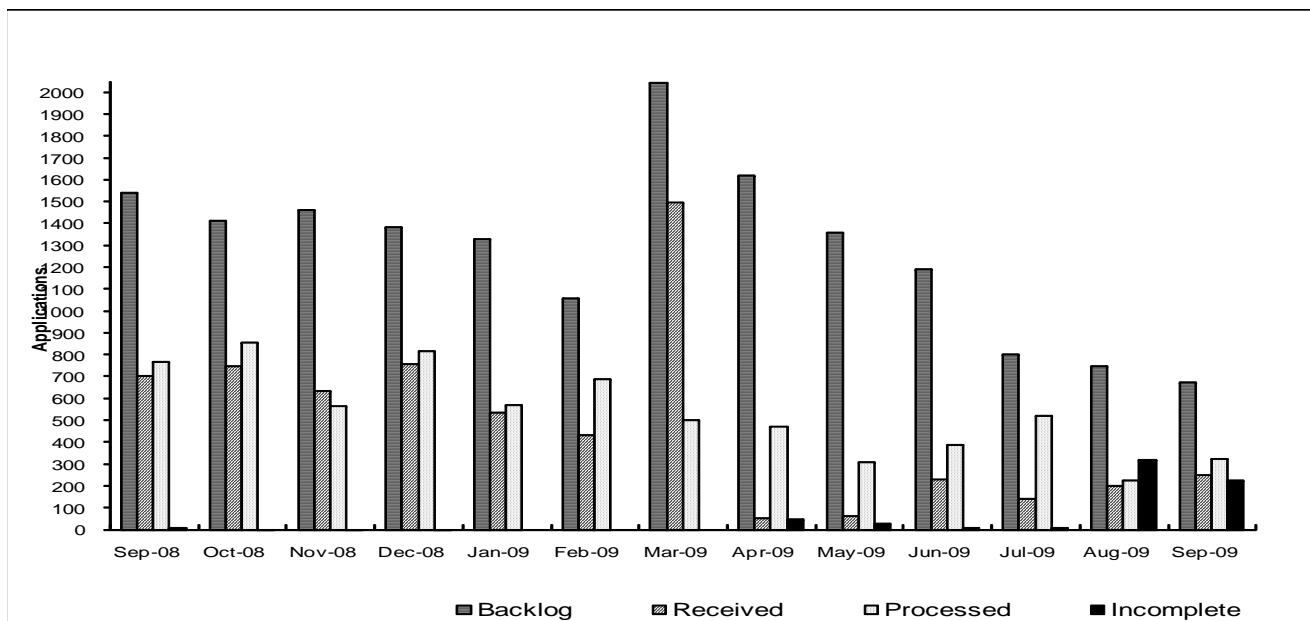


Colorado Oil & Gas Conservation Commission

Monthly Breakout of Drilling and Recompletion Permits

	Backlog	Received	Processed	Withdrawn	Rejected	Incomplete	In-Process	Remaining
Drilling								
Sep-08	1566	682	709	23	0	8	1508	1516
Oct-08	1516	729	838	11	0	3	1393	1396
Nov-08	1396	608	558	17	0	1	1428	1429
Dec-08	1429	727	791	16	0	1	1348	1349
Jan-09	1349	519	540	22	0	0	1303	1306
Feb-09	1306	411	678	14	0	0	1023	1025
Mar-09	1025	1475	482	13	0	0	2003	2005
Apr-09	2005	38	465	5	0	46	1525	1573
May-09	1573	54	306	18	0	26	1275	1303
Jun-09	1303	220	375	7	0	6	1133	1141
Jul-09	1141	122	487	7	0	9	759	769
Aug-09	769	155	223	23	0	315	363	678
Sep-09	678	230	296	2	0	223	387	610
Recompletion								
Sep-08	57	21	55	1	0	1	21	22
Oct-08	22	16	18	2	0	0	18	18
Nov-08	18	23	7	2	0	0	32	32
Dec-08	32	31	27	1	0	0	35	35
Jan-09	35	16	29	0	0	0	22	22
Feb-09	22	21	9	0	0	0	33	34
Mar-09	34	21	19	0	0	0	35	36
Apr-09	36	16	6	0	0	0	46	46
May-09	46	9	2	0	0	0	53	53
Jun-09	53	9	13	1	0	0	48	48
Jul-09	48	19	34	2	0	0	31	31
Aug-09	31	47	3	4	0	5	65	71
Sep-09	71	18	26	1	0	3	59	62
Total								
Sep-08	1623	703	764	24	0	9	1529	1538
Oct-08	1538	745	856	13	0	3	1411	1414
Nov-08	1414	631	565	19	0	1	1460	1461
Dec-08	1461	758	818	17	0	1	1383	1384
Jan-09	1384	535	569	22	0	0	1325	1328
Feb-09	1328	432	687	14	0	0	1056	1059
Mar-09	1059	1496	501	13	0	0	2038	2041
Apr-09	2041	54	471	5	0	46	1571	1619
May-09	1619	63	308	18	0	26	1328	1356
Jun-09	1356	229	388	8	0	6	1181	1189
Jul-09	1189	141	521	9	0	9	790	800
Aug-09	800	202	226	27	0	320	428	749
Sep-09	749	248	322	3	0	226	446	672

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	Permits										Well		Public Visits		
			Drilling		Recompletion		Injection		Pits		Locations		Spud Notice	Active Wells	Data	Office	Internet
			Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd	Apvd	Rcvd	Authz	Rcvd					
2006	Total		5906	6171	315	302	37	40	314	293					531	897	1012286
	JAN	96	605	423	7	18	3	1	22	27				31297	20	79	100089
	FEB	94	375	428	16	2	3	3	13	15				31378	34	94	77886
	MAR	98	525	662	15	46	2	3	22	22				31550	26	81	98738
	APR	109	524	658	23	20	4	1	28	26				31691	26	95	99974
	MAY	107	597	686	35	17	4	3	5	6				31897	17	82	98585
	JUN	108	446	728	3	16	5	3	5	8				32021	29	112	170945
	JUL	107	520	643	11	12	1	1	3	33				32135	29	93	173428
	AUG	113	590	693	23	29	5	11	11	9				33204	34	103	118720
	SEP	116	477	509	23	26	5	3	35	215				33357	34	40	97384
	OCT	111	605	511	11	30	2	4	6	35				33574	81	62	86694
	NOV	113	675	595	22	13	5	3	0	26				33731	41	56	80961
	DEC	109	436	511	25	24	3	2	4	6				33815	11	72	71727
2007	Total		6375	7047	214	253	42	38	154	428					382	969	1275131
	JAN	100	608	675	17	20	0	4	5	13				34173	16	99	87783
	FEB	115	514	591	18	14	5	8	4	22				34341	27	106	80083
	MAR	118	601	734	16	13	3	7	11	3				34695	21	91	132081
	APR	123	607	784	33	4	12	12	16	12				35058	18	84	141191
	MAY	119	587	688	20	47	6	11	2	3				35390	16	98	123537
	JUN	108	803	730	27	20	6	2	8	52				35686	12	102	79732
	JUL	109	774	759	12	28	4	6	4	13				35978	12	82	75564
	AUG	116	639	693	37	54	2	2	96	46				36271	23	122	70750
	SEP	115	709	682	55	21	4	1	147	11				36516	21	143	67034
	OCT	116	838	729	18	16	5	3	38	211				36731	22	96	69574
	NOV	123	558	608	7	23	4	5	3	37				36987	17	161	60773
	DEC	104	791	727	27	31	3	5	19	31				37359	8	107	62871
2008	Total		8029	8400	287	291	54	66	353	454					213	1291	1050973
	JAN	87	540	516	29	16	4	5	6	16				37567	12	94	66135
	FEB	68	678	412	9	20	1	1	28	12				37785	21	81	62220
	MAR	59	482	1475	19	21	3	19	2	24				38105	21	70	68742
	APR	52	465	38	5	16	3	6	8	13	0	0		38885	0	0	66271
	MAY	45	306	54	2	9	5	4	0	3	2	28		39231	22	114	71092
	JUN	44	375	220	13	9	1	7	5	8	0	39	0	39944	6	142	67461
	JUL	44	487	122	34	19	9	10	0	3	10	72	120	40184	13	95	87216
	AUG	44	223	156	3	46	2	4	10	1	38	60	118	40338	17	99	111016
	SEP	45	296	230	26	18	3	1	1	0	82	76	151	40469	13	97	0
2009	Total		3852	3223	140	174	31	57	60	80	132	275	389		125	792	600153



Colorado Oil Gas Conservation Commission
Monthly Statistics

YEAR	MO	Well Oper Change	Operators New	Release Ind.	Bknt	Bonds Replace	Claim Ind.	Hearings Apps.	Order	NOAV	Violations AOC	OFV	Cmplt	Spills	Remediation Projects Rcvd	Field Insp
2006	Total	7699	147	64	62	62	1	133	98	247	12	5	308	343	200	97
	JAN	586	15	0	2	2	0	20	10	14	1	0	19	28	20	2
	FEB	502	10	4	2	1	0	5	7	14	0	0	20	27	17	0
	MAR	521	9	3	3	5	3	6	11	17	0	0	44	37	18	2
	APR	509	12	6	10	7	0	NA	NA	29	NA	NA	35	40	7	2
	MAY	648	13	3	3	4	0	6	7	33	1	0	38	28	8	15
	JUN	890	15	1	5	2	0	NA	NA	35	NA	NA	30	23	12	7
	JUL	538	11	0	3	1	0	14	20	44	0	0	41	23	27	13
	AUG	555	17	4	4	3	0	14	10	41	2	0	24	19	14	13
	SEP	5401	10	3	6	3	0	NA	NA	150	NA	NA	30	19	16	4
	OCT	493	18	3	6	5	0	11	9	81	3	0	24	33	55	13
	NOV	372	7	4	8	6	0	8	6	50	2	0	31	27	20	11
	DEC	685	9	4	5	2	0	5	6	34	0	0	23	27	6	3
	Total	11700	146	35	57	41	3	89	86	542	9	0	359	331	220	85
	JAN	688	16	7	8	6	0	7	6	29	1	0	12	90	25	6
	FEB	555	10	5	6	4	0	5	5	42	1	0	31	40	28	14
	MAR	627	10	5	4	7	0	12	6	37	0	0	17	26	11	8
	APR	582	11	5	8	7	0	NA	NA	37	NA	NA	31	29	28	13
	MAY	720	11	3	2	3	0	11	11	13	1	0	15	24	23	22
	JUN	656	20	2	2	5	0	17	11	32	10	0	19	23	16	12
	JUL	865	22	5	3	5	0	11	15	34	0	0	25	26	22	2
	AUG	682	13	2	5	4	0	6	3	24	1	0	22	33	44	2
	SEP	607	15	4	6	7	0	29	25	9	0	2	14	30	28	10
	OCT	582	11	2	6	4	0	5	3	25	0	0	7	34	9	2
	NOV	447	5	3	0	5	0	NA	NA	10	NA	NA	8	31	12	8
	DEC	1986	9	1	0	2	0	6	7	16	2	0	21	44	13	14
	Total	8997	153	44	50	59	0	109	92	308	16	2	222	430	259	113
	JAN	219	11	4	6	3	1	7	6	15	8	0	9	33	7	1
	FEB	645	6	2	6	1	0	4	7	21	0	0	15	24	7	16
	MAR	818	10	2	2	2	0	10	8	32	0	0	44	28	29	5
	APR	1001	5	2	5	2	0	NA	NA	21	NA	NA	31	31	22	3
	MAY	110	9	6	3	6	0	4	2	25	0	0	15	27	7	4
	JUN	156	5	2	3	3	0	9	8	26	0	1	10	17	18	18
	JUL	186	8	7	3	5	0	5	4	9	1	0	12	14	16	8
	AUG	58	5	0	2	3	0	10	9	25	0	0	14	9	19	5
	SEP	46	7	10	7	5	0	6	5	11	0	0	21	14	5	9
	Total	3239	66	35	37	30	1	55	49	185	9	1	171	197	130	69
	Total															7488



HEARING DOCKET: NOVEMBER 2009

10/26/2009							
Docket Number	Cause Number	Applicant/Attorney or Representative	Application Received	Field Formation County	Matter	Remarks	
0907-UP-15	232 & 407	INB Land & Cattle, LLC. / Robert L. McPeck	04/27/2009	Wattenberg Codell/Niobrara/J Sand Weld	Request for an order to establish two 160-acre drilling and spacing units consisting of the SW $\frac{1}{4}$ of Section 10 and the NW $\frac{1}{4}$ of Section 30, Township 2 North, Range 66 West, 6th P.M., and to pool all nonconsenting interests in said units.	Continued from the July hearing	
0908-SP-18	139	Williams Production RMT Company/ William A. Keefe	06/29/2009	Rulison Williams Fork/Iles Garfield	Request for an order to: (1) establish a 640-acre drilling and spacing unit consisting of Section 15, Township 7 South, Range 94 West, 6th P.M., (2) continue to allow the equivalent of one well per 10 acres for said Section 15, for the Williams Fork Formation, and (3) allow the equivalent of one well per 10 acres for said Section 15, for the Iles Formation.	Protest filed by BLM Continued from the August hearing	
0910-GA-06	232, 407, 499	Noble Energy, Inc./ Andrew Bremner/Susan L. Aldridge	09/04/2009	Wattenberg Codell/Niobrara/J Sand Weld	Request for Commission hearing, under Rule 318A(e)(6)B., on APD filed by Noble Energy, Inc., for the Nelson-USX WW #09-24D Well which establishes a wellbore spacing unit for certain lands in Section 9, Township 1 North, Range 66 West, 6th P.M.	Objection filed by Merit Energy Co. Continued to the November hearing	
0911-RM-03	1R	Staff Recommendation	09/30/2009	Statewide	Request to amend Rules 328. and 329. concerning the measurement of oil and gas.		



0911-AW-05	527	Williams Production RMT Company Williams A. Keefe	10/02/2009	Sulphur Creek Williams Fork/lles Rio Blanco	Request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from any lease line adjacent to the application lands for certain lands in Townships 2 and 3 South, Range 97 West, 6th P.M., Townships 1 through 4 South, Range 98 West, 6th P.M., and Townships 2 and 3 South, Range 99 West, 6th P.M.	
0911-AW-06	528	Whiting Oil and Gas Corporation/ Stephen J. Sullivan	10/13/2009	Sulphur Creek Mesaverde Group Rio Blanco	Request for an order to amend Order No. 528-1 to vacate the requirement that the lles and Sego Formation wells must be drilled in conjunction with Williams Fork wells for Section 3, Township 3 South, Range 97 West 6th P.M., and allow lles and Sego Formation wells to be drilled downhole no closer than 100 feet from the outside boundary of the application lands.	
0911-UP-28	232	Petroleum Development Corporation/ Susan L. Aldridge/Michael J. Wozniak	10/15/2009	Wattenberg J Sand Weld	Request for an order to pool all nonconsenting interests in the established 320-acre drilling and spacing unit for the W½ of Section 34, Township 5 North, Range 67 West, P.M.	

Colorado Oil and Gas Conservation Commission

Detailed Permit Statistics

Attached to October 25, 2009 Staff Report

Presented as a Handout at the Hearing

All of the data contained in this report was gathered and accurate as of October 25, 2009

The table below is a breakdown of the Form 2A, Location Assessment, forms received since the effective date of the amended rules. The amended rules changed the requirements of the Form 2A and it is now required on all oil and gas facility locations. There is only one Form 2A required for multiple well sites if the wells were identified on the last approved or accepted Form 2A. The table reflects the status of the Form 2As received in the month reported, hence an aging report. The last report to the Commission with data from September 22, 2009 had the total Form 2As received at 253 and the approved at 103, this reflects an increase of 124 received and 63 permits approved in the time period since the last report.

Form 2A Location Assessment

Year	Month	Received	Approved or Accepted	Withdrawn	In Process	Percent In Process
2009	4	0				
2009	5	28	26	2	0	0%
2009	6	39	38	1	0	0%
2009	7	72	70	1	1	1%
2009	8	60	21	1	38	63%
2009	9	76	11		65	86%
2009	10	102			102	100%
Total Year		377	166	5	206	55%

Status of In Process Permits

Year	Month	Total Permits In Process	In Review	Waiting on Hearing	Waiting on Data	Waiting on Bond	Waiting on Onsite consultation	Waiting on DOW	Waiting on Operator & Surface Owner Consent re CDOW COAs
2009	4	0							
2009	5	0							
2009	6	0							
2009	7	1							1
2009	8	38	35	1	1	1			
2009	9	65	57		6			1	1

Form 2A will be informational and does not require approval unless:

1. The proposed oil and gas location will disturb more than one (1) acre and is located in one of the following counties in Colorado:
 - A. Garfield;
 - B. Mesa;
 - C. Gunnison; or
 - D. Rio Blanco.
- 2i. The proposed oil and gas location requires consultation with the Colorado Division of Wildlife or the Colorado Department of Public Health and Environment, pursuant to Rules 306.c and 306.d, respectively;
3. The local governmental designee requests consultation on the proposed oil and gas location pursuant to Rule 306.b; or
4. Where the proposed oil and gas location requires submittal of a Form 2A and the proposed oil and gas facility:
 - A. Is a production facility;
 - B. Is servicing multiple wells; and
 - C. Would not require any other Commission permit or facility registration.

COGCC Location Assessment Filed By Month

Form 2A Requiring Approval Breakdown by County

[illegible]

Form 2A Informational by County

10/25/2009

Yr	Mo	County	Form 2A Count	Status	New Location
2009	5	BROOMFIELD	2	Approved	1
2009	5	WELD	19	Approved	5
2009	6	LA PLATA	2	Approved	2
2009	6	LINCOLN	1	Approved	
2009	6	WELD	27	Approved	10
2009	7	ARCHULETA	3	Approved	3
2009	7	BROOMFIELD	1	Approved	1
2009	7	KIOWA	2	Approved	2
2009	7	LA PLATA	1	Approved	1
2009	7	LINCOLN	6	Approved	6
2009	7	PHILLIPS	3	Approved	3
2009	7	WELD	47	Approved	23
2009	7	YUMA	2	Approved	2
2009	8	KIOWA	1	Approved	1
2009	8	WELD	19	Approved	11
2009	9	CHEYENNE	1	Approved	1
2009	9	LA PLATA	1	Approved	1
2009	9	LINCOLN	1	Approved	1
2009	9	WELD	4	Approved	
2009	9	YUMA	4	Approved	4
2009	8	WELD	27	InProcess	14
2009	9	ADAMS	1	InProcess	1
2009	9	BROOMFIELD	6	InProcess	3
2009	9	ELBERT	1	InProcess	1
2009	9	LAS ANIMAS	1	InProcess	
2009	9	LINCOLN	1	InProcess	1
2009	9	LOGAN	2	InProcess	1
2009	9	PHILLIPS	2	InProcess	
2009	9	WASHINGTON	1	InProcess	1
2009	9	WELD	36	InProcess	9
2009	10	BOULDER	2	InProcess	
2009	10	BROOMFIELD	2	InProcess	
2009	10	ELBERT	1	InProcess	1
2009	10	LA PLATA	1	InProcess	
2009	10	LAS ANIMAS	4	InProcess	4
2009	10	LINCOLN	5	InProcess	3
2009	10	LOGAN	1	InProcess	1
2009	10	PHILLIPS	3	InProcess	
2009	10	WELD	74	InProcess	32

The table below is a breakdown of the Form 2, Application for Permit to Drill, (APD) forms received for the calendar year 2009. The amended rules changed many of the filing requirements and procedures of the APD process. The table reflects the status of the Form 2As received in the month reported, hence an aging report. The last report to the Commission with data from September 22, 2009 had the total permits received at 3,148 and the approved at 2,551, this reflects an increase of 376 received and 212 permits approved in the time period since the last report.

Form 2 Application For Permit to Drill (APDs)

Year	Month	Received	Approved	Withdrawn	In Process	Percent In Process	Average Days to Process	Less Than 50 Days	Greater Than 50 days
2009	1	519	509	6	4	1%	81	132	377
2009	2	411	399	5	7	2%	59	229	170
2009	3	1475	1344	17	114	8%	83	368	976
2009	4	40	36	2	2	5%	89	15	21
2009	5	54	40	5	9	17%	68	19	21
2009	6	219	204	1	14	6%	76	34	170
2009	7	122	104	1	17	14%	52	40	64
2009	8	156	74	4	78	50%	46	53	21
2009	9	230	42	1	187	81%	26	41	1
2009	10	298	11	1	286	96%	18	11	
Total Year		3524	2763	43	718	20%		942	1821

The table below reflects a breakdown of the status of the APDs that remain in process at the time of the report. The COGCC staff will assign a reason code at the end of each month to APDs not approved. When an APD is received it is placed “In Review” and then taken out of review if it requires more information or is held up by another process. Once the problem is resolved the APD is returned to “in Review” where it will be available for approval if all the processes have been completed.

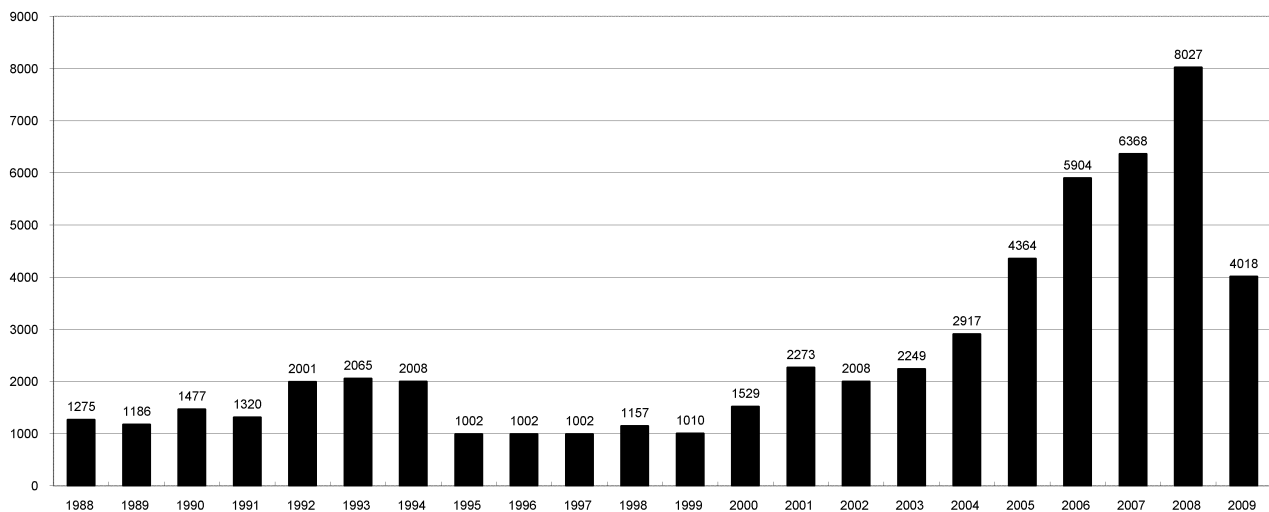
Status of In Process Permits

Year	Month	Total Permits In Process	In Review	Waiting on Form 2A Review	Waiting on Data	Waiting on Bond	Waiting on Onsite consultation	Waiting on DOW	Waiting on Operator & Surface Owner Consent re CDOW COAs
2009	1	4	2		1				1
2009	2	7	3						4
2009	3	114	3		27	4			80
2009	4	2	1		1				
2009	5	9	9						
2009	6	14	11		2	1			
2009	7	17	7						10
2009	8	78	71	5	1	1			
2009	9	187	120	41	26				

APDs Approved by Year by County

COLORADO OIL AND GAS CONSERVATION COMMISSION																						
																						Current through 10/27/09
COUNTY	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
ADAMS	46	34	44	53	92	58	137	34	9	33	24	19	38	28	9	26	39	34	37	89	51	20
ARAPAHOE	5	5	15	14	11	4	20	12	2	9	1	2	0	2	1	2	5	7	11	10	10	1
ARCHULETA	8	5	18	5	2	1		3		3		1	7	9	6	10	8	13	14	26	47	10
BACA	6	4	15	10	23	9	12	24	10	7	13	15	22	6	2	3	7	8	2	11	13	2
BENT				1		2	2	4	2	5	3	5	2				5	3	8	1	1	
BOULDER	1		1	13	38	159	38	5	8	2	5		1	5	6	7	17	13	21	37	32	28
BROOMFIELD																2	7		1	1	2	16
CHEYENNE	203	149	102	93	71	58	48	55	43	31	41	7	3	3	3	3	3	10	21	15	33	10
COSTILLA												1										
CROWLEY	1		1	1																		
DELTA	1	1	2												7	4	5	10	9	2		
DENVER										5	3	3		3					19	25	24	
DOLORES	2		4	1	2	1										1	1	1	6	10	12	21
ELBERT	9	12	8	5	3		2	13	16	11	1		2						4			
EL PASO																						2
FREMONT	9	5	6	7	1	2	2	1	2	1							1	3	2	4	14	13
GARFIELD	19	66	111	36	18	56	143	78	109	141	95	130	213	353	362	567	796	1509	1845	2550	2888	1512
GRAND							1															
GUNNISON			2	2		1									5	10	1	9	19	7	10	11
HUERFANO	3	5		4	17	3	3	2	1	3	40	26	41	27	27		8	2			7	
JACKSON	3	1	4	6	2	2	3	2	2	6	3		34	18	21	9	14	6	8	5	27	16
JEFFERSON	1		4	2		1		1	1		1	2	1						1	3	2	
KIOWA	15	39	40	46	28	28	21	26	13	17	10	2	11	18	2	4	2	1	11	9	26	6
KIT CARSON	9	5	7	8	8	15	26	11	7	6	9	5				1	3	5	4	4	13	7
LA PLATA	302	218	388	128	120	40	40	20	71	40	82	107	127	156	104	162	102	115	235	251	328	268
LARIMER	4	4	3	6	13	7	3		1	3	1		2		1			1		5	46	12
LAS ANIMAS	10	30	36			9	32	95	134	136	195	195	268	400	259	180	332	413	500	362	303	59
LINCOLN	8	6	4	7	7	11	8	9	3	2			2	2	1	6	3	4	1	2	58	27
LOGAN	18	21	23	13	14	30	15	13	6	12	7		4	7	3	3	6	13	17	14	5	6
MESA	1	12	29	20	22	2	22	6	11	10	2	6	13	27	30	27	54	136	265	293	501	337
MOFFAT	13	25	27	19	40	52	43	40	41	28	21	15	35	52	62	63	63	60	120	68	57	43
MONTEZUMA	6	7	10	8	7	11	15	9	13	5	4	1	4		5	8	8	11	5	12	22	38
MONTROSE				1						1			1	3	2	4	2		1	3	3	
MORGAN	34	27	36	13	10	11	19	12	10	11	10	12	9	9	2	7	9	7	3	6	2	1
OTERO				2																		
PARK				1								1										3
PHILLIPS			3		1	1							1	2		7	13	17	12	69	82	18
PITKIN		1			2												1		1			
PROWERS	19	9	5	10	14	7	3	5	5	3	9	3	2	5	4		7	5	7	5	8	1
RIO BLANCO	34	83	77	33	81	83	126	81	33	40	51	95	89	187	105	179	154	161	360	321	477	312
RIO GRANDE	2	3	4	1			1						1	1		1					1	1
ROUTT	4	3	12	4	2	3	1	2	1	1	1	4	20	13	1		4	6	9	8	4	2
SAGUACHE	1							2					2		2					2	1	2
SAN MIGUEL			2	2					1	1	4	2	11	13	27	18	42	45	35	23	20	13
SEDGWICK			1					3		2						1	5	2	7	2	1	19
WASHINGTON	40	29	23	28	24	26	25	12	19	26	18	3	23	17	27	34	128	50	69	45	11	
WELD	424	357	366	656	1224	1319	1030	254	305	285	392	288	509	702	760	757	832	901	1418	1527	2340	1083
YUMA	14	20	45	60	104	53	167	168	123	116	111	60	31	205	160	138	237	782	797	541	545	98
Total	1275	1186	1477	1320	2001	2065	2008	1002	1002	1002	1157	1010	1529	2273	2008	2249	2917	4364	5904	6368	8027	4018

ALL COUNTIES



The below table shows the approved APD totals for the most active seven counties.

County	2009 (% of Total)	2008	2007	2006	2005	2004
Garfield	1512 (38)	2888	2550	1844	1508	796
Weld	1083 (27)	2340	1527	1418	901	832
Mesa	337 (8)	501	293	265	136	54
Rio Blanco	312 (8)	477	321	360	161	154
La Plata	268 (7)	328	251	235	117	102
Yuma	98 (2)	545	541	798	782	237
Las Animas	59 (1)	303	362	500	413	332
State Total	4018	8027	6368	5904	4364	2917

The Form 2, Application for Permit to Drill, (APD) is required to recomplete a well to a different formation. The logic is that the well can then be reviewed for proper design for safety considerations and the ownership participation can be declared to assure compliance with an applicable spacing orders. Since the action does not require a drilling rig and the well is already in existence the process should be less time consuming and therefore the COGCC staff has tracked these APDs separately since 1994. The table below reflects the permits received for 2009 by month and the status of those permits. This report was not included in the September 22, 2009 report to the Commission; there have been 80 Recompletion APDs approved since that date.

Form 2 Recompletions

Year	Month	Received	Approved	Withdrawn	In Process	Percent In Process	Average Days to	Less Than 50 Days	Greater Than 50
2009	1	16	15			0%	47	12	3
2009	2	21	20		1	5%	40	16	4
2009	3	21	19			0%	98	4	15
2009	4	16	15			0%	80	2	13
2009	5	9	7		1	11%	66	1	6
2009	6	9	9			0%	36	8	1
2009	7	19	14	4		0%	47	7	7
2009	8	47	42			0%	56	11	31
2009	9	18	16	1	1	6%	33	16	0
2009	10	21	12	1	7	33%	12	12	0
Total Year		197	169	6	10	5%		89	80

In June, 2009 the staff created a new spud report tracking system at the request of the Commission. The system is updated by the field inspector receiving a called in spud notice, as required on the approved drilling permit. Following is a table showing the reported spud notices. These numbers have been added as a new column on the Monthly Statistics Report which is attached to the Staff Report.

Year	Month	Spud Reports
2009	7	120
2009	8	118
2009	9	152
2009	10	94

The following table shows a summary of oil and gas drilling permits where **new** wells have been approved by the COGCC. The summary shows the number of permits that have been granted where the surface owner owns mineral rights, where the surface ownership has been severed from the mineral ownership, where surface use agreements have been executed on severed lands, and where surface damage bonds have been posted on severed lands.

Calendar Year	Permits For New Oil And Gas Wells	Surface Owner Party To A Mineral Lease	Surface Owner Is Not Party To A Mineral Lease	Surface Use Agreements	Total Permitted Under A Surface Use Bond	\$25,000 Blanket Surface Damage Bond	\$2,000 Individual Surface Damage Bond For Non-Irrigated Land	\$5,000 Individual Surface Damage Bond for Irrigated Land
2005	4,323	2,936 (68%)	1,387 (32%)	742 (17%)	645 (15%)	636 (15%)	7 (<1%)	2 (<1%)
2006	5,848	3,933 (67%)	1,915 (33%)	1,223 (21%)	692 (12%)	689 (12%)	3 (<1%)	0 (0%)
2007	6,335	3,876 (61%)	2,459 (39%)	1,558 (25%)	901 (14%)	900 (14%)	1 (<1%)	0
2008	7,974	4,741 (59%)	3,233 (41%)	2,152 (27%)	1,081 (14%)	1,075 (13%)	3 (<1%)	3 (<1%)
2009	4002	2512 (63%)	1490 (37%)	1082 (27%)	408 (10%)	404 (10%)	2 (<1%)	2 (<1%)

The Form 2A provided the COGCC the opportunity to identify the distance that oil and gas facilities where being installed from buildings. Below is a table with the Form 2A locations grouped by distance from building ranges and the number of Form 2A that fall in the range and percentage of total Form 2As for each group.

Location Proximity to Buildings	Number of Locations	Percent of Total Locations Reviewed
less 150	3	1%
150 to 350	27	7%
350 to 500	50	13%
500 to 1000	85	23%
greater than 1000	211	56%
Total Locations	376	

Below is a table listing the locations 300 feet or less. The buildings that were less than one and one half times the height of most triple joint drilling rigs have been described. It is interesting to note that all of the locations listed below are existing locations and will be a host to additional wells.

Listing of Closest Locations

County	High Density	New Location	Distance	Proximity	Building Description
WELD	No	No	58	less 150	Vehicle Garage
WELD	Yes	No	98	less 150	Building to be razed
WELD	Yes	No	103	less 150	Building to be razed
WELD	No	No	154	150 to 350	Livestock Enclosure
WELD	Yes	No	168	150 to 350	Storage Shed
WELD	No	No	193	150 to 350	Storage Shed
LA PLATA	No	No	221	150 to 350	
WELD	No	No	224	150 to 350	
WELD	Yes	No	230	150 to 350	
WELD	No	No	235	150 to 350	
WELD	Yes	No	244	150 to 350	
LA PLATA	No	No	245	150 to 350	
LA PLATA	Yes	No	245	150 to 350	
WELD	No	No	264	150 to 350	
WELD	No	No	265	150 to 350	
WELD	Yes	No	267	150 to 350	
WELD	Yes	No	277	150 to 350	
WELD	Yes	No	277	150 to 350	
WELD	No	No	281	150 to 350	
WELD	No	No	282	150 to 350	
WELD	No	No	300	150 to 350	
WELD	No	No	300	150 to 350	
WELD	Yes	No	300	150 to 350	