

Colorado Oil and Gas Conservation Commission

<http://cogcc.state.co.us/>

OIL AND GAS LAND USE COMMITTEE MEETING

Commerce City, Colorado

January 5, 2012



OIL & GAS CONSERVATION COMMISSION

COGCC Mission

PROMOTE THE RESPONSIBLE AND BALANCED DEVELOPMENT OF COLORADO'S OIL & GAS NATURAL RESOURCES

- Exploration & production of O&G resources are conducted efficiently & in a manner consistent with **protection of public health, safety, and welfare, including the environment & wildlife resources,**
- Waste of energy resources is prevented,
- Mineral owners' rights are protected, and
- Adverse environmental impacts are avoided.



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LEGAL AND REGULATORY ISSUES

Colorado oil and gas development often occurs where the mineral estate has been split from the surface estate.

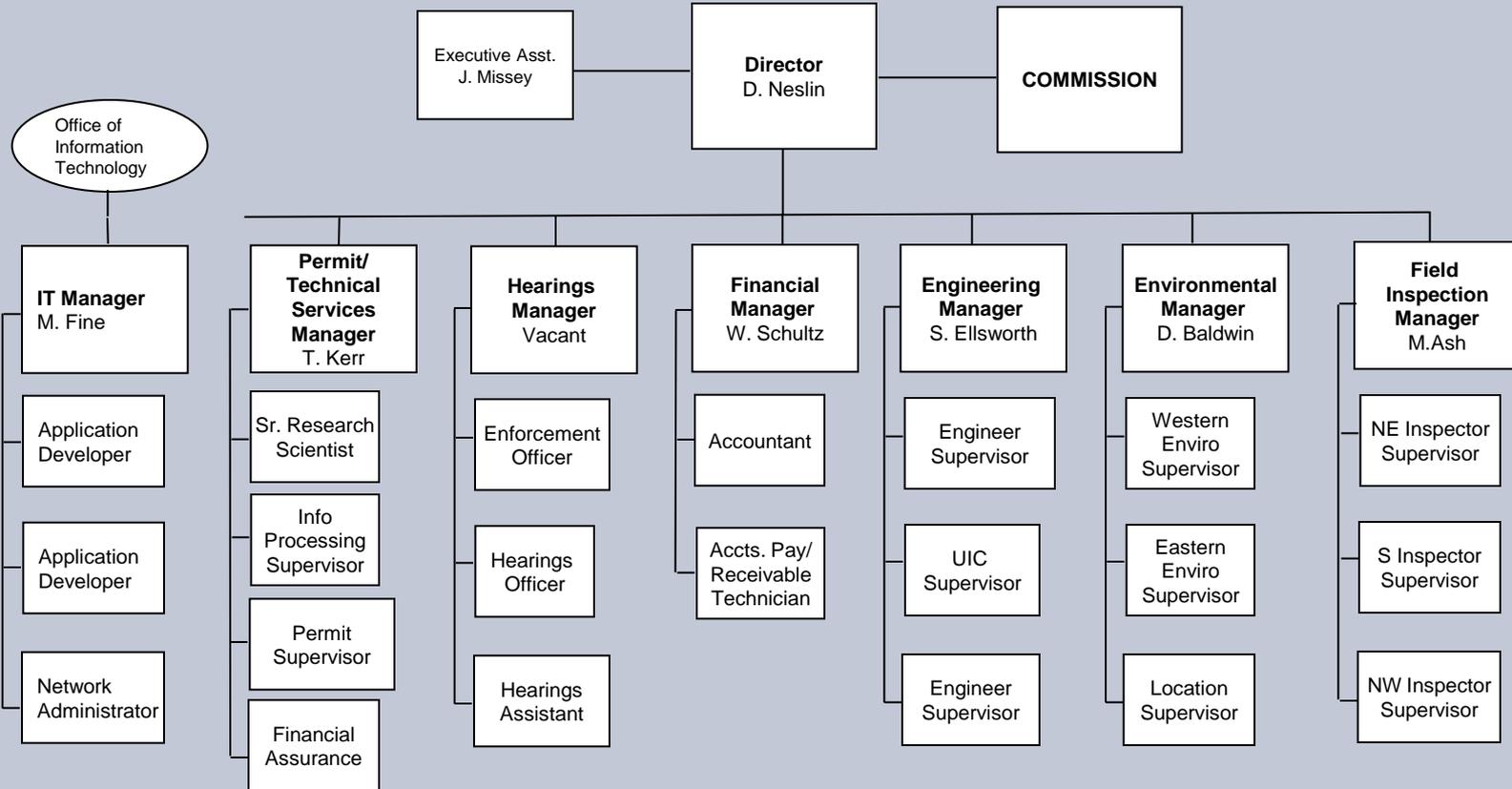
Each party (surface and mineral estate) has their own property rights associated with ownership.

Surface and mineral interests are created or transferred through private party contracts, including deeds and leases.

According to Colorado law, the mineral estate is dominant over the surface estate.



COGCC – ORG. CHART



69 full time employees



PREVENTION OF IMPACTS

- Review of downhole specifications
 - Engineering review of casing and cementing plan
- Review of surface specifications
 - Environmental review of oil and gas locations
- Field Inspections
 - Compliance with permit requirements and COGCC Rules



PERMITTING PROCESS

APPLICATION FOR PERMIT TO DRILL

- APD
- FORM 2
- Provides information regarding the permitting of the wellbore and its construction.
 - Surface & bottom hole location
 - Casing
 - Cementing

OIL AND GAS LOCATION ASSESSMENT

- OGLA
- FORM 2A
- Provides an assessment of surface location.
 - Area of disturbance
 - Environmental review
 - Hydrology
 - Groundwater
 - Surface water
 - Inter-agency consultation



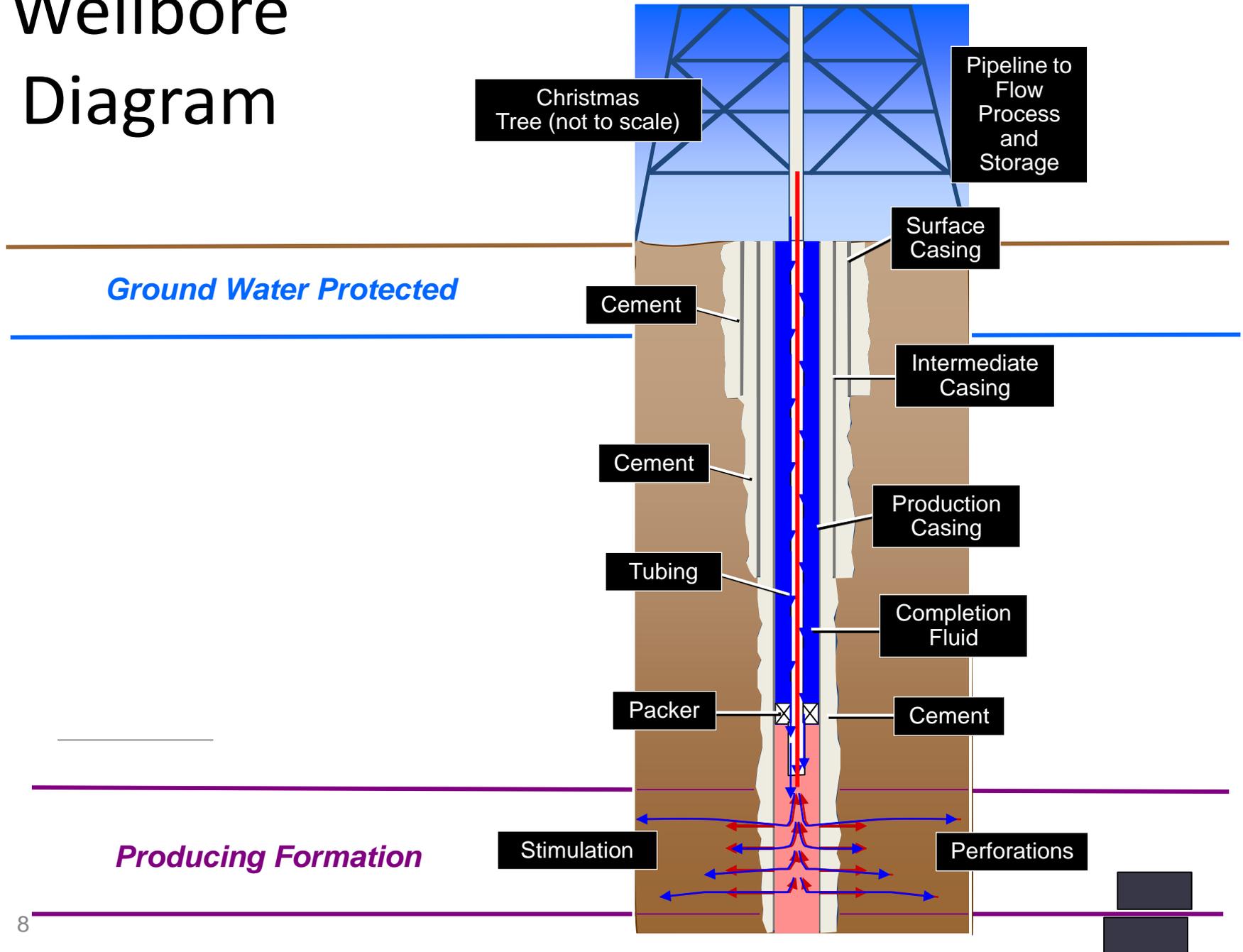
DRILLING AND COMPLETION OPERATIONS

COGCC POLICIES TO PREVENT GAS/OIL MIGRATION

1. ENSURE SURFACE CASING IN ALL WELLS IS SET AT LEAST 50 FEET BELOW THE DEPTH OF THE DEEPEST WATER WELL OR AQUIFERS
2. ENSURE PRODUCTION CASING AND CEMENTING ISOLATES ALL PRODUCTION ZONES



Wellbore Diagram



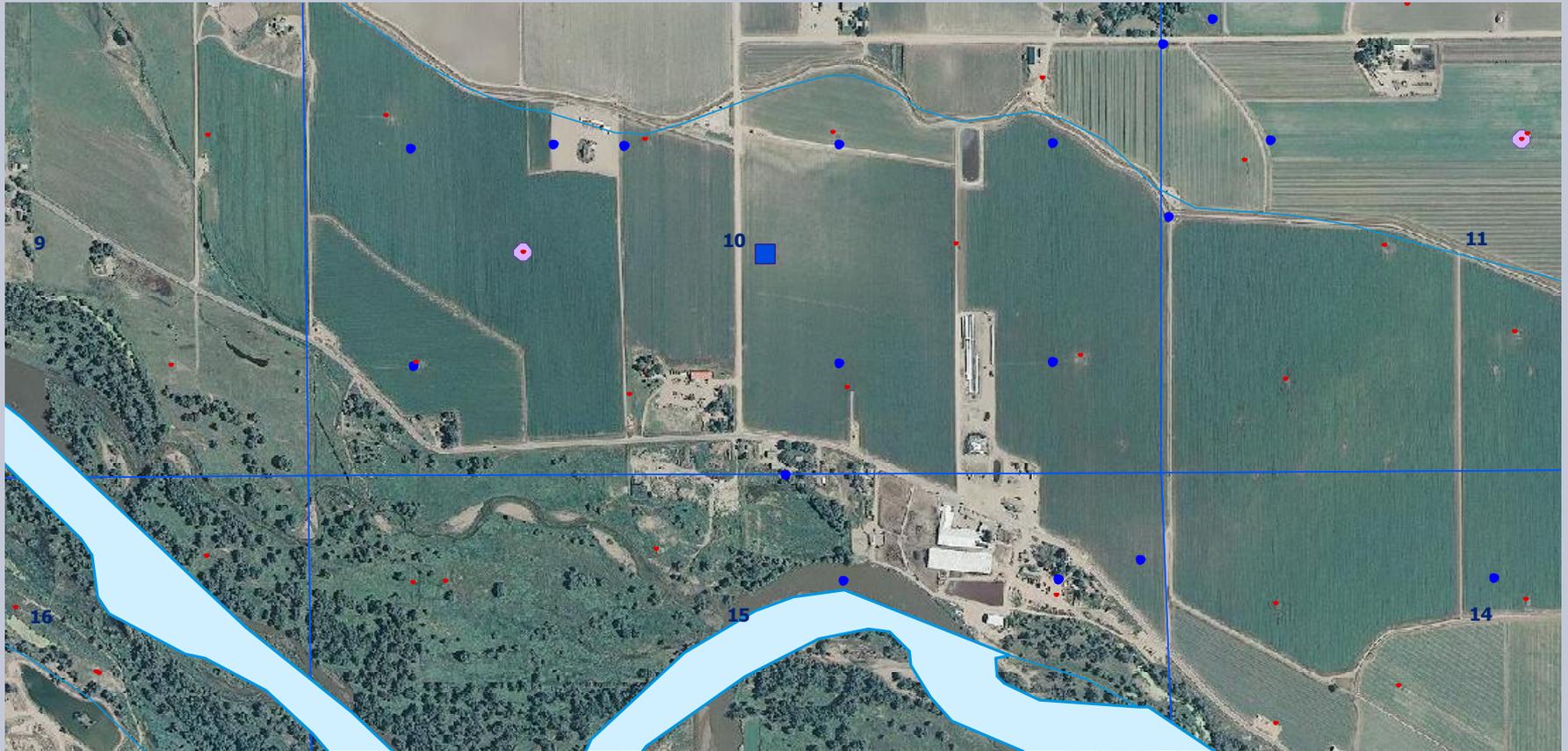
GROUNDWATER & SURFACE WATER PROTECTION

The prevention of adverse environmental impacts

- Downhole review of casing & cementing plan
- Review of Location Drawing, Hydrology Map submitted with Form 2A
- Review of surrounding water wells & well data
- Review of surface water features
- Review of operator provided Best Management Practices (BMPs)



HYDROLOGY REVIEW



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SAFETY RULES

“...to protect the health, safety and welfare of the general public during the drilling, completion and operation of oil and gas wells and producing facilities...”

- Special rules for high density areas
- Blowout preventer equipment
- Fire prevention
- Hydrogen sulfide detection
- Secondary containment for potential spills



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CONDITIONS OF APPROVAL (COA)

Notice, Comment, Approval (Rule 305)

- Conditions of approval; issuance of permit (Rule 305.d)

“...the director may attach technically feasible and economically practicable conditions of approval to the Form 2 or Form 2A as ... necessary to implement the provisions of the Act or these rules...” or “...to respond to legitimate concerns expressed during the comment period.”

Examples:

- Lined drilling pits, pit restrictions, or closed-loop (pit-less) drilling systems ;
- Additional high density operational requirements;
- Site specific Best Management Practices (BMPs), including wildlife BMPs and spill control BMPs;
- Water well sampling, including baseline.



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DRILLING PERMIT- NOTIFICATION

- Upon submittal of a permit application, oil and gas operators are required to:
 - Mail or deliver a notice to the surface owner of the proposed oil & gas location
 - Mail or deliver a notice to all landowners within 500 feet of the proposed oil & gas location



PUBLIC COMMENT/CONSULTATION

The public and local governments can provide comment on drilling applications

- 20 day public comment period; can be extended to 30 days upon request.
- Public, local governments, health department, wildlife managers can consult.
- Phone call, e-mail, letter, website submittal
- COGCC accepts and review all comments



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PUBLIC COMMENT

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COGIS - Drilling Permits

All Approved Applications for County

All Pending Applications for County

All Approved Location Assessments for County

All Pending Location Assessments for County

COGIS - Pending Drilling Permits

You Requested Permits for: WELD County

Received Posted	Operator Name Number	Operator Contact	Contact Phone	Status/ Document #	Status Date	Typ
12/07/2011 01/04/2012	PETROLEUM DEVELOPMENT CORPORATION 69175	Jeff Glossa	(303) 831-3972	IN PROCESS 400230032	01/04/2012	
12/05/2011 12/08/2011	HILCORP ENERGY COMPANY 10133	JOHN MCKNIGHT	(713) 209-2494	IN PROCESS 2286271	01/04/2012	
01/03/2012 01/04/2012	NOBLE ENERGY INC 100322	MARI CLARK	(303) 228-4413	IN PROCESS 400202069	01/04/2012	



COGCC FINANCIAL ASSURANCE RULES

Several Types of Financial Assurance are Required:

703 – Surface Owner Protection

706 – Soil Protection, Plugging and Abandonment

707 – Inactive Wells

708 – General Liability Insurance

710 – Response Fund



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ENVIRONMENTAL OVERSIGHT

- Preventing, containing, remediating spills and releases.
- Baseline groundwater sampling and monitoring.
- Rapid response to complaints alleging impacts to public health and the environment.
- Fluid management to ensure safe storage and disposal of exploration and production waste.
- Rules to address odors, noise, lighting, visual impacts and setbacks from structures.
- Hydraulic fracturing rules ensure well integrity and disclosure of fracturing chemicals.



Complaint Response

- COGCC responds to many types of complaints
- Includes, but is not limited to dust, lighting, noise, odor and water well issues
- All complaints are considered priority
- Complaint issue that is a violation of COGCC rules does result in the issuance of a Notice of Alleged Violation



Complaint Response

- Collect water/gas samples from water well or soil samples.
- Compare water analyses to regional water quality.
- Evaluate gas analysis to determine thermogenic/biogenic.
- Collect gas samples from nearby oil and gas wells.
- Compare stable isotopic signatures to determine source.
- If complaint verified:
 - Operator must remediate soil and water to meet standards.
 - Operator must mitigate impacts.



INSPECTIONS

All inspections include:

- Cleanliness, spills and housekeeping
- Surface management
- Accessibility
- Location Identification
- Equipment inventory
- Well Status



COMPLIANCE AND ENFORCEMENT

Multiple tools to ensure compliance with regulations

- Outreach, training
- Site inspections
- Satisfactory/Unsatisfactory reports on inspections
- Communication with operators following inspections
- Formal enforcement for more serious violations
- Request for corrective action
- Where there are serious violations, we can impose penalty orders
- More than \$2 million in penalties assessed in 18 months between January 2010 through June 2011



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Interim Reclamation

Well Completion - Production

- Removal of unused equipment, trash debris
- Interim reclamation of areas no longer in use
 - 3 months on cropland
 - 6 months on non cropland
- Drilling pit closure
 - 3 months on cropland
 - 6 months on non-cropland
- Restoration and re-vegetation
- Weed control





Interim Reclamation Well site on Non-Crop Land – Garfield County



Interim Reclamation Well site on Crop Land in Weld County

Final Reclamation

Reclaim to reference area or final land use

- Plug well, remove associated production facilities
- Includes lease roads, culverts, road base
- Pit Closure: Production and special purpose pits
- Re-vegetation to 80% of pre-disturbance vegetation
- Weed Control





PRODUCTION PIT FINAL RECLAMATION

IN PROGRESS



FORMER PRODUCTION PIT

Cutthroat Trout Pond

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HOME

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A division of the Colorado Department of Natural Resources Transparency Online Project (TOP)

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January 17, 2011

PUBLIC ANNOUNCEMENTS

[Final Amended Rules](#)
Training, questions, answers and other materials on the new rules.

[Antero Spacing Application Documents *New*](#)
Materials submitted in relation to spacing application for Silt Mesa and Peach Valley. (14.9 MB 63 zipped files)

[Gasland Correction Document \(10/29/2010\)](#)
Because an informed public debate requires accurate information, the COGCC has corrected several errors in Gasland's portrayal of Colorado incidents.

[EPA Response to CPA Pit Liners \(09/15/2010\)](#)
Click link above for letter.

[CPA Pit Liner Brief \(09/14/2010\)](#)
CPA brief in support of position that pit liner disposal falls within the jurisdiction of the COGCC.

QUESTIONS?



Internet 100%



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