

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF CHANGES TO THE)	CAUSE NO. 1R
RULES AND REGULATIONS OF THE OIL &)	
GAS CONSERVATION COMMISSION OF)	DOCKET NO. 191200754
THE STATE OF COLORADO)	
)	TYPE: RULEMAKING

PREHEARING STATEMENT OF THE ALLIED LOCAL GOVERNMENT COALITION

Boulder County, the City of Lafayette, the City and County of Broomfield, the Town of Erie and the City of Longmont, participating as the Allied Local Government Coalition (the “ALGC”), by and through each party’s respective undersigned counsel, greatly appreciate the opportunity to submit this Prehearing statement to the Colorado Oil and Gas Conservation Commission (“COGCC”) Staff’s Wellbore Integrity Rulemaking.

I. Statement of Party Position

The ALGC supports the efforts of the Colorado Oil and Gas Conservation Commission (COGCC or “Commission”) to consider additions and amendments to Commission Rules of Practice and Procedure, 2 C.C.R. 404-1 (“Rules”), as part of its “Wellbore Integrity Rulemaking,” as directed by the Colorado legislature in Senate Bill 19-181. We support the proposed revisions and greatly appreciate the effort made by Staff to facilitate a collaborative approach in this rulemaking allowing diverse stakeholders to voice their opinions and concerns. Moreover, the ALGC is supportive of the implementation of the recommendations made by the State Oil and Gas Regulatory Exchange (“SOGRE”) into the draft rules. Along with the other rulemakings occurring pursuant to the mandates in SB-181, these revisions to the rules will contribute to delivering important protections to Colorado communities.

The ALGC's suggested revisions focus on ensuring that local governments have access to the same information as the Commission regarding important activities occurring inside their jurisdictions that can threaten public health, safety, welfare or the environment and the opportunity to consult with the Director on important matters that may affect public health or welfare. Citizens expect their local governments to have current knowledge regarding the status, health, and safety of oil and gas activities in their jurisdictions. Moreover, in some instances, a change in an oil and gas operation may trigger the need for additional or new local review. Accordingly, we are asking for the following:

- (1) to receive the same notices and reports that operators must provide to the COGCC;
- (2) to have access to the same records the COGCC has access to;
- (3) to receive the same reports operators file with the COGCC; and
- (4) to be consulted on the designation of protected water.

1. Notices

The ALGC suggests the following notices be sent to the relevant local government:

- a. Notice that Director has proposed specific fields or portions of fields as bradenhead test areas (Rule 207.b).
- b. Notice of intention to do work or to change plans (R.301)
- c. Notice when public health or safety is in jeopardy or of any other significant downhole problem or mechanical failure in any well within ten (10) days. (R. 301)
- d. Access to records of the drilling, redrilling, deepening, repairing, plugging or abandoning of all wells, and of all other well operations, and of all alterations to casing. (R.301)
- e. Operator notice of intent to abandon well (Rule 311.a.).

- f. All notices required by R.316.C.
- g. Operator notice of spudding a well (Rule 317.d).
- h. Notice of surface casing pressure testing (Rule 317.n).
- i. Operator notice of bradenhead pressure greater than 30% of true vertical depth of surface casing shoe (Rule 341.b(1)).
- j. Operator notice of high bradenhead pressure during stimulation (Rule 341.b.(2))

2. Reports

The ALGC suggests the following reports that are sent to the COGCC also be sent to the relevant local government:

- a. Reports of tests or surveys to determine the presence of waste or occurrence of pollution required by Commission (Rule 207.a).
- b. Preliminary and final drilling completion report (Rule 308.A).
- c. Completed interval report (Rule 308.B)
- d. Well abandonment & re-plugging (Rule 311.b and c.).
- e. Results of bradenhead test reports (Rule 314 and Rule 341.c.)
- f. Temporary abandonment report (Rule 319.b.).
- g. Reporting of bradenhead pressure greater than 30% of TVD through the remaining life of the well (Rule 341.b.(4)).
- h. Access to bradenhead monitoring records (Rule 341.b.(5)).
- i. Access to the drilling fluid records (Rule 603.e.(2)).

3. Consultation

Local governments have a keen interest in ensuring that fresh water is protected. For this reason, the ALGC suggests the Director consult with the relevant local government when designating a water-bearing formation as a protected water (Rule 209).

II. Witness List

At this time, the ALCG does not anticipate having any witnesses. However, the ALCG reserves the right to call a witness as necessary in response to any filings by the parties or revisions to the Staff's rules.

III. Exhibit List

At this time, the ALCG has no exhibits. However, the ALCG reserves the right to identify an exhibit as necessary in response to any filings by the parties or revisions to the Staff's rules.

IV. Statement of open legal issues and relief requested

The ALCG has not identified any open legal issues. The ALCG requests the revisions requested in Attachment A.

V. Amount of time requested to address the Commission

The ALCG requests 25 minutes to present testimony at the rulemaking hearing.

Thank you for your consideration of these suggestions.


DATED this 28th day of January 2020.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that, on January 28th, 2020, I caused the above Allied Local Government Coalition's Prehearing Statement to be electronically filed and served as follows:

By: Tracy G. Kozak

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ATTACHMENT A

ALTERNATIVE LANGUAGE

(COGCC suggestions in red, ALGC suggestions in blue)

Rule 207:

207.a. Tests and surveys. When deemed necessary or advisable, the Commission is authorized to require that tests or surveys be made to determine the presence of waste or occurrence of pollution. The Commission, in calling for reports under Rule 206 and tests or surveys to be made as provided in this rule, shall designate the time allowed to the operator for compliance, which provisions as to time shall prevail over any other time provisions in these rules. **The Operator will provide copies of the results of any tests and surveys filed with the Commission or Director to the relevant local government designee.**

207.b. Bradenhead ~~monitoring~~ test areas.

(1) The ~~Director shall have authority to designate~~ Commission may approve specific fields or portions of fields as bradenhead test areas. ~~At all wells within the~~

A. The Director may propose specific fields or portions of fields as bradenhead test ~~area, the bradenhead access to the annulus between the production and surface casing, as well as any intermediate casing, shall be equipped with fittings to allow safe and convenient determinations of pressure and fluid flow. All valves used for annular pressure monitoring shall remain exposed and not buried to allow for COGCC visual inspection at all times. A rigid housing may be used to protect the valves, provided that the housing can be easily opened or removed by the operator upon request of COGCC staff. Any such proposed bradenhead test area shall be~~ **designated** areas by notice to **the relevant local government designee** and all operators on record within the area and by publication.

Rule 209:

209. ~~PROTECTION~~ISOLATION OF COAL SEAMS AND ~~PROTECTED~~ WATER~~BEARING FORMATIONS~~

In the conduct of oil and gas operations each owner ~~shall~~**will** exercise due care in the ~~protection~~**isolation** of coal seams and ~~protected~~ water. The Director may consult with the Colorado Geologic Survey, the Colorado Division of Water Resources, or the Colorado Water Quality Control Commission, and shall consult with **the local government designee with jurisdiction over the protected water, in order to designate a water-bearing ~~formations as required by the applicable statutes of the State of Colorado~~formation as a protected water.**

Rule 301:

301. RECORDS, REPORTS, NOTICES-GENERAL

Any written notice of intention to do work or to change plans previously approved must be filed with the Director, and must reach the Director and receive approval before the work is begun, or such approval may be given orally and, if so given, shall thereafter be confirmed to the Director in writing. [Notice of intention to do work or to change plans previously approved must also be provided to the relevant local government designee.](#)

In case of emergency, or any situation where operations might be unduly delayed, any notice or information required by these rules and regulations to be given to the Director may be given orally or by wire, and if approval is obtained the transaction shall be promptly confirmed in writing to the Director, as a matter of record.

Immediate notice shall be given to the Director [and the relevant local government designee](#) when public health or safety is in jeopardy. Notice shall also be given to the Director [and the relevant local government designee](#) of any other significant downhole problem or mechanical failure in any well within ten (10) days.

The owner shall keep on the leased premises, or at the owner's headquarters in the field, or otherwise conveniently available to the Director [and the relevant local government designee](#), accurate and complete records of the drilling, redrilling, deepening, repairing, plugging or abandoning of all wells, and of all other well operations, and of all alterations to casing. These records shall show all the formations penetrated, the content and quality of oil, gas or water in each formation tested, and the grade, weight and size, and landed depth of casing used in drilling each well on the leased premises, and any other information obtained in the course of well operation. Such records on each well shall be **transferred to and** maintained by any subsequent owner.

Whenever a person has been designated as an operator by an owner or owners of the lease or well, such an operator may submit the reports as herein required by the Commission.

Rule 308:

308A. COGCC Form 5. DRILLING COMPLETION REPORT

308A.a. Preliminary Drilling Completion Report, Form 5

- (1) If drilling is suspended prior to reaching total depth and does not recommence within 90 days, an operator **shallwill** submit a "Preliminary" Drilling Completion Report, Form 5 within the next 10 days [to the Director and the relevant local government designee.](#)

308A.b. Final Drilling Completion Report, Form 5

A “Final” Drilling Completion Report, Form 5, will be submitted to the Director and the relevant local government designee within 60 days of rig release after drilling, sidetracking, or deepening a well to total depth. In the case of continuous, sequential drilling of multiple wells on a pad, the Final Form 5 shall will be submitted to the Director and the relevant local government designee for all the wells within 60 days of rig release for the last well drilled on the pad.

308B. COGCC Form 5A. COMPLETED INTERVAL REPORT

308B.a. The operator will submit the Completed Interval Report, Form 5A, shall be submitted to the Director and the relevant local government designee within 30 days after a formation is completed (successful or not); after a formation is temporarily abandoned or permanently abandoned; after a formation is recompleted, reperforated or restimulated; and after a formation is commingled. The operator will report the details of hydraulic fracturing, acidizing, or other similar treatment stimulation method, including the volumes of all fluids involved, shall be reported on the Form 5A.

308B.b. The operator will report the parameters as required by the Completed Interval Report, Form 5A.

308B.c. In order to resolve completed interval information uncertainties, the Director may require an operator to submit further information in an additional Completed Interval Report, Form 5A.

Rule 311:

311.a. Notice of Intent to Abandon , Form 6. Prior to the abandonment of a well, a Well Abandonment Report, Form 6 – Notice of Intent to Abandon, shall will be submitted to, and approved by, the Director and the relevant local government designee. The Form 6 - Notice of Intent to Abandon shall will be completed and attachments included to fully describe the proposed abandonment operations. This includes the proposed depths of mechanical plugs and casing cuts; the proposed depths and volumes of all cement plugs; the amount, size and depth of casing and junk to be left in the well; the volume, weight, and type of fluid to be left in the wellbore between cement or mechanical plugs; and the nature and quantities of any other materials to be used in the plugging. The operator shall will provide a current wellbore diagram and a wellbore diagram showing the proposed plugging procedure with the Form 6. If the well is not plugged within six months of approval, the operator will file a new Form 6 – Notice of Intent to Abandon shall be filed.

311.b. Subsequent Report of Abandonment, Form, 6.

(1) Within 30 days after abandonment, the Well Abandonment Report, Form 6 - Subsequent Report of Abandonment, shall will be filed with the Director and the relevant local government designee. The abandonment details shall will include an account of the manner in which the abandonment or plugging work was performed. Copies of any casing pressure test results and downhole logs run during plugging and abandonment shall will be submitted with Form 6. Additionally, plugging verification reports detailing all procedures are required. A Plugging Verification Report shall will be submitted for each person or contractor actually setting the plugs. The Form 6 - Subsequent Report of Abandonment, and the Plugging Verification Reports shall will

detail the depths of mechanical plugs and casing cuts, the depths and volumes of all cement plugs, the amount, size and depth of casing and junk left in the well, the volume and weight of fluid left in the wellbore and the nature and quantities of any other materials used in the plugging. Plugging Verification Reports ~~shall~~will conform with the operator's report and both ~~shall~~will show that plugging procedures are at least as extensive as those approved by the Director

311.c. Re-Plugging. A Well Abandonment Report, Form 6 – Notice of Intent to Abandon, ~~shall~~will be submitted to, and approved by, the Director and the relevant local government designee prior to the re-entry of a plugged and abandoned well for the purpose of re-plugging the well. A Well Abandonment Report, Form 6 - Subsequent Report of Abandonment ~~shall~~will be filed with the Director and the relevant local government designee within 30 days of the completion of the re-plugging operations. These forms ~~shall~~will be submitted with all the information required above and any additional information required by current policy.

Rule 314:

314. COGCC Form 17. BRADENHEAD TEST REPORT

The operator will submit results of bradenhead tests, ~~as required by Rule 207.b., shall be submitted~~ to the Director and the relevant local government designee within ~~ten~~(10) days of ~~completion~~completing the test either by filing a Form 17 or by another method approved by the Director or Commission. The operator will include a wellbore diagram ~~shall be submitted~~if not previously submitted or if the wellbore configuration has changed. ~~If sampled, then the~~If the operator conducted sampling, the operator will include results of any gas and liquid analysis ~~shall be submitted~~.

Rule 316:

Rule 316C. COGCC Form 42. FIELD OPERATIONS NOTICE

Operators shall submit a Form 42, Field Operations Notice, as designated below and in accordance with a Condition of Approval on any Form 2, Application for Permit to Drill; Form 2A, Oil and Gas Location Assessment; Form 4, Sundry Notice; Form 6, Well Abandonment Report; or any other approved form. The Commission shall provide prompt electronic notice of all notices required to be submitted by this rule to the relevant local governmental designee (LGD).

Rule 317:

317.d. Requirement to provide spud notice. An operator will provide advance notice ~~shall be provided~~ to the Director and the relevant local governmental designee on a Field Operations Notice, Form 42, no less than 48 hours prior to spudding a well.

317.n. Surface casing pressure testing.

- (1) Prior to drilling out below the surface casing shoe, the operator will successfully pressure test the surface casing for a minimum 30-minute duration and to a minimum of 1,500 psi or to a pressure that will determine if the casing has adequate mechanical integrity to meet the well design and construction objectives.

- (2) If the surface casing is exposed to more than 360 rotating hours after reaching total depth or the depth of the next casing string, the operator will verify the integrity of the surface casing before running the next casing string by using a casing evaluation tool, conducting a mechanical integrity test, or using an equivalent casing evaluation method submitted to and approved by the Director and the relevant local governmental designee through a Sundry Notice, Form 4.

Rule 319:

319.b.(2) The manner in which the well is to be maintained should be reported to the Commission and the relevant local governmental designee, and bonding requirements, as provided for in Rule 304, kept in force until such time as the well is permanently abandoned.

Rule 341:

341.b. Bradenhead monitoring. The operator will monitor all wells at a Director-indicated frequency for aspects of well integrity necessary to protect public health, safety, welfare, the environment, including protected water, and wildlife resources and in accordance with this Rule 341.

- (1) At Rig Release. Bradenhead monitoring after rig release and prior to stimulation. An operator will monitor all annular casing pressures on a monthly basis. If at any point the bradenhead pressure is greater than 30% of the true vertical depth (TVD) of the surface casing shoe, the operator will contact the Director and the relevant local government designee before proceeding with stimulation to determine whether mitigation or other measures are necessary to ensure isolation of protected water.
- (2) During stimulation.
- A. An operator will confine the placement of all stimulation fluids ~~shall be confined~~ to the objective formations during ~~treatment~~ stimulation to the extent practicable.
- B. During stimulation operations, ~~bradenhead annulus pressure shall be an operator will~~ continuously monitor~~ed~~ and ~~recorded~~record bradenhead annulus pressure on all wells being stimulated.
- C. If intermediate casing has been set on the well being stimulated, an operator will monitor and record the pressure in the annulus between the intermediate casing and the production casing during stimulation operations.
- D. During stimulation operations, an operator will monitor the bradenhead annulus and casing pressures for all wells within 300 feet of the wellbore being stimulated.
- E. If at any time during stimulation operations, the bradenhead annulus pressure ~~increases more than 200~~in psig in the well being stimulated or any well being monitored exceeds 30% of the respective well's true vertical depth (TVD) of the surface casing shoe or the operator ~~shall verbally~~ has reason to suspect any potential failure of the production casing or stimulation string, the operator will:
- i. Safely and quickly discontinue the stimulation and dissipate the annular pressure.
 - ii. Notify the Director and the relevant local government designee as soon as practicable but no longer than 24 hours following the

~~incident occurrence with a Form 42, Field Operations Notice, Notice of High Bradenhead Pressure During Stimulation shall be submitted by the end of the first business day following the event. Within fifteen (~~

- (4) **Through the intermediate remaining life of the well.** For all wells in the state, an operator will monitor and record the flowing or shut-in tubing pressure (if applicable) and all annular casing and the production pressures on a monthly basis or at a Director-approved frequency. An operator will
- A. Report to the Director and the relevant local government designee, bradenhead pressure greater than 30% of the true vertical depth (TVD) of the surface casing shall also be monitored and recorded: shoe , or a lower threshold set by a Commission Order, or any well that flows liquids or continuous gas from the bradenhead annulus on a Form 17, Bradenhead Test;
- (5) **Records.** An operator will keep ~~all well stimulation~~ bradenhead monitoring records and pressure charts on file and required by Rule 341.b. available for inspection by the ~~Commission~~ Director and the relevant local government designee for a ~~period~~ minimum of at least five (5) years. ~~Under Rule 502.b.(1), an operator may seek a variance from these bradenhead monitoring, recording, and reporting requirements under appropriate circumstances after the monitoring was performed.~~

341.c. **Annual Bradenhead Testing and Reporting.** For all wells other than coalbed methane wells, an operator will perform an annual bradenhead test and submit the data to the Director and the relevant local government designee on a Form 17 or other Director-approved method. For coalbed methane wells, an operator will perform bradenhead testing in accordance with Rule 608.e.

Rule 603:

603.e.(2) The Director and relevant local government designee will have access to the drilling fluid records related to the fluid's properties used to control the well (fluid type, density, viscosity, fluid loss control, and other rheological properties), and will be allowed to request or conduct any essential tests on the drilling fluid used in the drilling or recompletion of a well. The operator will retain all records for a period of 5 years.