

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

IN THE MATTER OF THE APPLICATION OF  
CRESTONE PEAK RESOURCES  
OPERATING LLC FOR AN ORDER TO: (1)  
ESTABLISH AND APPROVE A RULE 216  
COMPREHENSIVE DRILLING PLAN FOR  
SECTIONS 1, 2, 3, 10, 11 AND 12,  
TOWNSHIP 1 NORTH, RANGE 69 WEST, 6<sup>th</sup>  
P.M. AND SECTIONS 25, 26, 27, 34, 35 AND  
36, TOWNSHIP 2 NORTH, RANGE 69 WEST,  
6<sup>TH</sup> P.M. FOR THE COMPREHENSIVE  
DEVELOPMENT AND OPERATION OF THE  
CODELL AND NIOBRARA FORMATIONS,  
WATTENBERG FIELD, BOULDER COUNTY,  
COLORADO, AND (2) TO APPROVE A RULE  
502.b. VARIANCE TO COMMISSION RULE  
303.

CAUSE NO.

DOCKET NO. 170500189

TYPE:

**AMENDED APPLICATION**

COMES NOW Crestone Peak Resources Operating LLC (Operator No. 10633) ("Applicant"), by and through its undersigned attorneys, and respectfully submits this Application ("Application") to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to: (1) establish and approve a Rule 216 Comprehensive Drilling Plan for Sections 1, 2, 3, 10, 11 and 12, Township 1 North, Range 69 West, 6<sup>th</sup> P.M. and Sections 25, 26, 27, 34, 35 and 36, Township 2 North, Range 69 West, 6<sup>th</sup> P.M., Boulder County, Colorado for the comprehensive development and operation of the Codell and Niobrara Formations, and (2) grant a Rule 502.b. variance to Rule 303 by placing a temporary hold on accepting any new Form 2, Applications for Permit to Drill, or Form 2A's, Oil and Gas Location Assessments for the Application Lands **for an Owner (as defined in C.R.S. 34-60-103(7)) other than Applicant** in order to preserve the intent of a Commission Rule 216 Comprehensive Drilling Plan. All such requests in this Application are to support the purpose of Commission Rule 216 and to prevent waste, protect correlative rights, minimize surface impacts and to allow for efficient and economic development of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations underlying the below-described lands. In support of its Application, Applicant states and alleges as follows:

**General Information**

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.

2. Applicant owns leasehold interests or holds the right to operate all of a portion of the following lands (hereafter "Application Lands"):

Township 1 North, Range 69 West, 6<sup>th</sup> P.M.

Section 1: All  
Section 2: All  
Section 3: All  
Section 10: All  
Section 11: All  
Section 12: All

Township 2 North, Range 69 West, 6<sup>th</sup> P.M.

Section 25: All  
Section 26: All  
Section 27: All  
Section 34: All  
Section 35: All  
Section 36: All

7,680 acres, more or less, Boulder County, Colorado.

A reference map of the Application Lands is attached hereto.

3. On February 19, 1992, the Commission entered Order No. 407-87 which, among other things, established eighty (80) acre drilling and spacing units for vertical and/or directional wells for the production of oil and/or gas from the Codell-Niobrara Formations. The Application Lands are subject to Order No. 407-87 as it applies to the existing vertical and/or directional well development and operation of the Codell and Niobrara Formations on the Application Lands.

4. The Application Lands are within the Greater Wattenberg Area ("GWA") and thus are subject to Rule 318A. On April 27, 1998, the Commission adopted Rule 318A, which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface within the GWA. On December 5, 2005, Rule 318A was amended to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A was further amended to, among other things, address drilling of horizontal wells. The August 8, 2011 amendment did not prohibit the establishment of drilling and spacing units within the GWA but the Application Lands will be subject to the four hundred sixty (460) foot subsurface mineral boundary setback for the Codell and Niobrara Formations prescribed under Rule 318A.

5. The Commission records reflect that there are no horizontal wells producing from the Codell and Niobrara Formations on the Application Lands. Further,

Commission records reflect that there are no horizontal wells producing from any geologic formation underlying the Application Lands.

6. The Commission records reflect that there are a substantial amount of vertical and/or directional wells producing to various geologic formations underlying the Application Lands, including the Codell and Niobrara Formations.

7. This proposed Rule 216 Comprehensive Drilling Plan Application is filed concurrently with Applicant's three 2,560 drilling and spacing unit applications covering the above-referenced Application Lands. Such drilling and spacing unit applications illustrate the proposed development and operation on the Application Lands for the Codell and Niobrara Formations in accordance with C.R.S. § 34-60-116(2) and (4), as well as other applicable provisions of the Colorado Oil and Gas Conservation Act.

### **Initiation of Commission Rule 216 Comprehensive Drilling Plan Procedures**

8. Applicant acknowledges and understands that this Application for a Commission Rule 216 Comprehensive Drilling Plan Application presents a novel case of first impression to the Commission, noticed parties and other necessary stakeholders. While the Commission has previously entered an order establishing a Comprehensive Drilling Plan in Order No. 1-143 (dated March 30, 2009, located in Gunnison County, Colorado), the Applicant's requests herein differ significantly from the facts and circumstances in Order No. 1-143.

9. In this instance, pursuant to a moratorium imposed by Boulder County, Colorado a half-decade ago in 2012, Applicant, among other operators and mineral interest owners, have been prohibited from permitting new, or modifying existing, Oil and Gas Locations in Boulder County.

10. As of the date of this filing, Boulder County's moratorium has remained in effect continuously and continues to prohibit the permitting of new, or modifying existing, Oil and Gas Locations in the unincorporated areas of Boulder County.

11. On February 14, 2017, the Colorado Attorney General initiated a lawsuit against Boulder County, Colorado alleging that the current moratorium is illegal and is in violation of Colorado law. To be clear, Applicant has not filed a lawsuit against Boulder County, Colorado.

12. Boulder County Planning Staff and the Boulder County Attorney have communicated to Applicant, and to the public, that they intend to present revised, proposed oil and gas regulations to the Board of County Commissioners during a public hearing on March 14, 2017, with a potential for final adoption of such oil and gas regulations at a public hearing on March 23, 2017.

13. Boulder County Planning Staff have also communicated to the Applicant and to the public, that they expect the current challenged moratorium to be rescinded on or about May 1, 2017. The Boulder County Planning Staff have indicated that they plan to utilize the time period between the Board of County Commissioner's adoption of final oil and gas regulations and May 1, 2017 as an "implementation period" for the final oil and gas regulations.

14. In an effort to prepare for the adoption of Boulder County's revised, proposed oil and gas regulations, the ultimate rescission of the challenged moratorium, and the ability to file any applicable land use permit for Applicant's Oil and Gas Locations in Boulder County on the Application Lands, Applicant seeks to initiate the Commission Rule 216 Comprehensive Drilling Plan process at the present time in order to engage all necessary stakeholders prior to re-entry of oil and gas development into Boulder County for the Application Lands.

### **Request to Establish and Approve a Rule 216 Comprehensive Drilling Plan for the Application Lands**

15. Applicant is pursuing this Commission Rule 216 Comprehensive Drilling Plan Application for numerous reasons, including but not limited to: (a) to ensure that re-entry into Boulder County, Colorado for oil and gas development is pursued in a collaborative, methodical and transparent manner, (b) to identify foreseeable oil and gas activities in a defined geographic area, (c) to facilitate discussions about potential impacts, (d) to identify measures to minimize adverse impacts to public health, safety, welfare, and the environment, including wildlife resources, from such oil and gas activities and operations<sup>1</sup>, (e) to engage with local and state agencies and other necessary stakeholders to develop a reasonable and workable Rule 216 Comprehensive Drilling Plan, and (f) to ensure Applicant's leasehold interests, and the fee and State-owned mineral interests, in the Application Lands are protected and are included in a reasoned plan that ultimately provides for responsible oil and gas development and operations in Boulder County, Colorado.

16. Applicant confirms that, once this Application is filed with the Commission and the Rule 216 Comprehensive Drilling Plan process is initiated by such filing, Applicant will comply with the requirements of Rule 216 prior to presenting a final draft of a Rule 216 Comprehensive Drilling Plan to this Commission. *Please see a copy of Commission Rule 216 attached hereto as Exhibit 1.*

17. Applicant confirms that the proposed Comprehensive Drilling Plan will cover more than one (1) proposed Oil and Gas Location within the Application Lands and, in fact, can confirm that it will cover up to eighteen (18) proposed Oil and Gas Locations for the Application Lands. *See Rule 216.b.*

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<sup>1</sup> See Rule 216.a.

18. Applicant confirms that it has noticed other known oil and gas operators with leasehold or mineral interests in the Application Lands and confirms that it will engage in discussions regarding this Application with such oil and gas operators, while recognizing that Comprehensive Drilling Plans typically cover the oil and gas activities of one operator. *See Rule 216.b.*

19. After presentation of this Application, presentation of the proposed project, and various meetings and discussions with the noticed stakeholders per Rule 216.d(2) and other necessary stakeholders, Applicant confirms that it will submit significantly detailed information to meet, or exceed, the requirements of Rule 216.c. *See Rule 216.c., 216.d(2).* It is the goal of the meetings and discussions with stakeholders to facilitate the identification of potential impacts and develop conditions of approval to minimize adverse impacts of oil and gas operations on the Application Lands. *See Rule 216.d(2).*

20. As the procedure for the establishment of a Rule 216 Comprehensive Drilling Plan proceeds, the necessary stakeholders shall have the opportunity to review Applicant's proposal, identify information needs, discuss operations and potential impacts, and establish measures to minimize adverse impacts resulting from oil and gas development activities covered by the proposed Comprehensive Drilling Plan. *See Rule 216.d(3).*

21. Applicant shall also discuss with the Director, the Colorado Department of Public Health and Environment, Colorado Parks and Wildlife, Boulder County Local Government Designee or other designated contact, and other necessary stakeholders, the scope of the Comprehensive Drilling Plan, the schedule for its preparation, the information to be included, any public participation opportunities, and whether the proposed Comprehensive Drilling Plan is intended to satisfy Form 2A requirements. *See Rule 216.b(7).* Applicant recognizes that Rule 216.b(7) recommends such discussions prior to initiating a Comprehensive Drilling Plan, however, Applicant maintains that such information will likely arise during the meetings and discussions with such stakeholders as the Rule 216 procedures progress.

22. Applicant requests that the Director place on the Commission's hearing agenda in a timely manner Applicant's Comprehensive Drilling Plan that has been agreed to in writing by Applicant that the Director considers suitable after consultation with the Colorado Department of Public Health and Environment and the Colorado Parks and Wildlife, as applicable, and consideration of any other comments, including Boulder County's. *See Rule 216.d(4).*

23. Applicant requests that the Director shall identify and document the agreed-upon conditions of approval for activities within the Application Lands covered by the accepted Comprehensive Drilling Plan. *See Rule 216.d(5).*

24. Applicant expects that there will be various requests for variances to certain Commission rules and confirms that any requirement for the granting of such variances will be met by Applicant. *See Rule 216.e.(1).*

25. Applicant requests that all practices and conditions agreed to in an accepted Comprehensive Drilling Plan shall be included as conditions of approval in any Form 2 or other permit for individual wells or other ground-disturbing activity covered by the Comprehensive Drilling Plan, where no Form 2A is required under Rule 303.d.(2).B., or included conditions of approval in any Form 2, Form 2A, or other permit for individual wells or other ground-disturbing activity covered by the Comprehensive Drilling Plan, where a Form 2A is required under Rule 303.d.(1). *See Rule 216.e(2)(A), (B).*

26. Applicant maintains that the proposed, final Comprehensive Drilling Plan will contain information that is the substantial equivalent to that which would be required in a Form 2A for the proposed Oil and Gas Locations and the Comprehensive Drilling Plan has been subject to procedures substantially equivalent to those required for a Form 2A, and as such Applicant requests that a Form 2A shall not be required for any **of Applicant's** proposed Oil and Gas Locations, **if required at all under Rule 216, until and unless the siting for any Oil and Gas Locations is determined as part of the Rule 216 Comprehensive Drilling Plan process, with the intent that such Oil and Gas Locations will not** ~~that are included in the Comprehensive Drilling Plan and do not~~ involve a variance from the Plan or a variance from these rules not addressed in the Comprehensive Drilling Plan. *See Rule 216.f(1).*

27. Applicant maintains that the proposed, final Comprehensive Drilling Plan will include all **of Applicant's** Oil and Gas Locations for the Application Lands and, therefore, where the **Applicant's** proposed Oil and Gas Locations are covered by an approved Comprehensive Drilling Plan and no variance is sought from such Plan or these rules, which variance is not addressed in the Comprehensive Drilling Plan, then Applicant requests that the Director shall give priority to and approve or deny an Application for Permit-to-Drill, Form 2, or Oil and Gas Location Assessment, Form 2A, within thirty (30) days of a determination that such application is complete pursuant to Rule 303.h unless significant new information is brought to the attention of the Director. *See Rule 216.f(3).*

28. Applicant requests that, once the proposed Rule 216 Comprehensive Drilling Plan is approved by the Commission, the Comprehensive Drilling Plan be valid for a period of six (6) years, or so long as oil and gas operations are occurring on the Application Lands. *See Rule 216.g.* Applicant specifically requests that this Commission allow the Rule 216 Comprehensive Drilling Plan to extend past the allowable six (6) years for so long as oil and gas operations are occurring on the Application Lands due to the unknown timing of Commission permitting for the requested number of wells in each proposed 2,560-acre drilling and spacing unit, the unknown timing of the Boulder County land use permits for the Oil and Gas Locations proposed in each proposed 2,560-acre drilling and spacing permit, the duration of oil and gas operations for the construction of each Oil and Gas Location on the Application Lands, the duration of oil and gas operations for the drilling and completing of the requested number of wells for the Application Lands,

and other foreseeable delays on timing of Applicant's development and operation of the Codell and Niobrara Formations on the Application Lands.

29. Applicant anticipates that this **portion of the Application, the request for an approved Rule 216 Comprehensive Drilling Plan**, will be continued to future Commission hearings in order to be heard: **(a)** after the requirements of Rule 216 are met, and **(b)** at the same Commission hearing as the Applicant's three corresponding Commission applications to establish three 2,560-acre drilling and spacing units for the development and operation of the Codell and Niobrara Formations underlying the Application Lands.

### **Request for Commission Rule 502.b. Variance to Rule 303**

30. In order to facilitate a collaborative, methodical and transparent manner of developing the Application Lands under this Rule 216 Comprehensive Drilling Plan Application, Applicant requests that the Commission approve a Rule 502.b. variance to Commission Rule 303 that allows for and governs the filings of Form 2, Applications for Permit to Drill, or Form 2A's, Oil and Gas Location Assessments.

31. Commission Rule 502.b(1) provides:

(1) Variances to any Commission rules, regulations, or orders may be granted in writing by the Director without a hearing upon written request by an operator to the Director, or by the Commission after hearing upon application. The operator or the applicant requesting the variance shall make a showing that it has made a good faith effort to comply, or is unable to comply with the specific requirements contained in the rules, regulations, or orders, from which it seeks a variance, including, without limitation, securing a waiver or an exception, if any, and that the requested variance will not violate the basic intent of the Oil and Gas Conservation Act.

32. Specifically, Applicant requests that the Commission enter a variance to the allowance of Form 2 and Form 2A filings under Commission Rule 303 by placing a temporary hold on the acceptance and processing of any Form 2's or Form 2A's for the Application Lands **from any Owner (as defined in C.R.S. 34-60-103(7)), except for Applicant as part of the Rule 216 Comprehensive Drilling Plan process.** The length of the requested temporary hold is until the Commission has had the opportunity to notice, hear and **enter an Order** ~~make a determination~~ on this Rule 216 Comprehensive Drilling Plan Application for the Application Lands, **with such Order including the Applicant's ability to file Form 2's and Form 2A's within a certain amount of time upon entry of such Order as part of the Applicant's overall Rule 216 Comprehensive Drilling Plan.**

33. By filing this Application with the requested variance, Applicant is making a good faith effort to ensure this Commission Rule 216 Comprehensive Drilling

Plan Application is allowed to proceed without the potential for confusion or prejudice if **any** Form 2's and/or Form 2A's are allowed to be filed and processed prior to the determination of Applicant's Commission Rule 216 Comprehensive Drilling Plan **by any Owner (as defined by C.R.S. 34-60-103(7) other than Applicant.**

34. Applicant also maintains that, by approving the Rule 502.b(1) variance to Rule 303, the Commission will reduce the burden on the Commission Staff as it will prevent any unnecessary or premature Form 2 and Form 2A's from being filed without the benefit of a **hearing, notice and final Order** determination of this Rule 216 Comprehensive Drilling Plan Application.

35. As set forth above, Applicant maintains that any re-entry of oil and gas development in Boulder County should proceed in a collaborative, methodical and transparent manner that allows necessary stakeholders, including specifically Boulder County, to engage in discussions about such development.

36. The requested Rule 502.b(1) variance will not violate the basic intent of the Oil and Gas Conservation Act which is to:

- Foster the responsible, balanced development, production, and utilization of the natural resources of oil and gas in the state of Colorado in a manner consistent with protection of public health, safety, and welfare, including protection of the environment and wildlife resources;
- Protect the public and private interests against waste in the production and utilization of oil and gas;
- Safeguard, protect, and enforce the coequal and correlative rights of owners and producers in a common source or pool of oil and gas to the end that each such owner and producer in a common pool or source of supply of oil and gas may obtain a just and equitable share of production therefrom; and
- Plan and manage oil and gas operations in a manner that balances development with wildlife conservation in recognition of the state's obligation to protect wildlife resources and the hunting, fishing, and recreation traditions they support, which are an important part of Colorado's economy and culture. Pursuant to section 33-1-101, C.R.S., it is the policy of the state of Colorado that wildlife and their environment are to be protected, preserved, enhanced, and managed for the use, benefit, and enjoyment of the people of this state and its visitors.

C.R.S. 34-60-102(1)(a)(I-IV) (2016).



**37. Applicant anticipates that this portion of the Application, the request for a Rule 502.b. variance to Rule 303, will be noticed and heard by the Commission at the May 2017 hearing.**

~~3837.~~ The undersigned certifies that copies of this **Amended** Application will be served on each interested party as required by Rule 507 within seven (7) days of the filing hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that **Applicant's Rule 502.b. variance of Rule 303, be noticed** ~~this matter be set~~ for hearing in May 2017, **and Applicant's request for the Rule 216 Comprehensive Drilling Plan be noticed** ~~for or~~ at a future Commission hearing, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

A. **Future Hearing:** Establishing and approving a Comprehensive Drilling Plan in accordance with the requirements of Commission Rule 216 for Sections 1, 2, 3, 10, 11 and 12, Township 1 North, Range 69 West, 6<sup>th</sup> P.M. and Sections 25, 26, 27, 34, 35 and 36, Township 2 North, Range 69 West, 6<sup>th</sup> P.M., Boulder County, Colorado for the comprehensive development and operation of the Codell and Niobrara Formations.

B. **May Hearing:** Approving a Rule 502.b. variance to Rule 303 by placing a temporary hold on accepting and processing any new Form 2, Applications for Permit to Drill, or Form 2A's, Oil and Gas Location Assessments for the Application Lands **from any Owner (as defined by C.R.S. 34-60-103(7)) except Applicant as part of the Rule 216 Comprehensive Drilling Plan process, up to and until the Commission has the opportunity to notice, hear and enter an Order on this Rule 216 Comprehensive Drilling Plan Application for the Application Lands, with such Order including the Applicant's ability to file Form 2's and Form 2A's within a certain amount of time upon entry of such Order as part of Applicant's overall Rule 216 Comprehensive Drilling Plan.** ~~until the Commission has made a determination this Rule 216 Comprehensive Drilling Plan Application.~~

C. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED ~~March~~ February 17, 2017

Respectfully submitted:

**CRESTONE PEAK RESOURCES OPERATING  
LLC**

By:



Jamie L. Jost  
Kelsey Wasylenky  
Jost Energy Law, P.C.  
Attorneys for Applicant  
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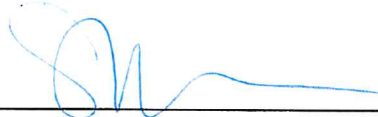
Applicant's Address:

Crestone Peak Resources Operating LLC  
ATTN: Shea Kauffman  
1801 California Street, Suite 2500  
Denver, Colorado 80202

VERIFICATION

STATE OF COLORADO                    )  
  ) ss.  
CITY AND COUNTY OF DENVER        )

Shea Kauffman of lawful age, being first duly sworn upon oath, deposes and says that she is Land Manager for Crestone Peak Resources Operating LLC and that she has read the foregoing Application and that the matters therein contained are true to the best of her knowledge, information and belief.



\_\_\_\_\_  
Name: Shea Kauffman  
Title: Land Manager and Attorney-In-Fact  
Crestone Peak Resources Operating LLC

Subscribed and sworn to before me this 16<sup>th</sup> day of March 2017.

Witness my hand and official seal.

[SEAL]

|   |
|---|
| LAURIE J. WIZEMAN<br>NOTARY PUBLIC<br>STATE OF COLORADO<br>NOTARY ID 20104028615<br>MY COMMISSION EXPIRES NOVEMBER 14, 2020 |
|---|

My commission expires: 11.14.20

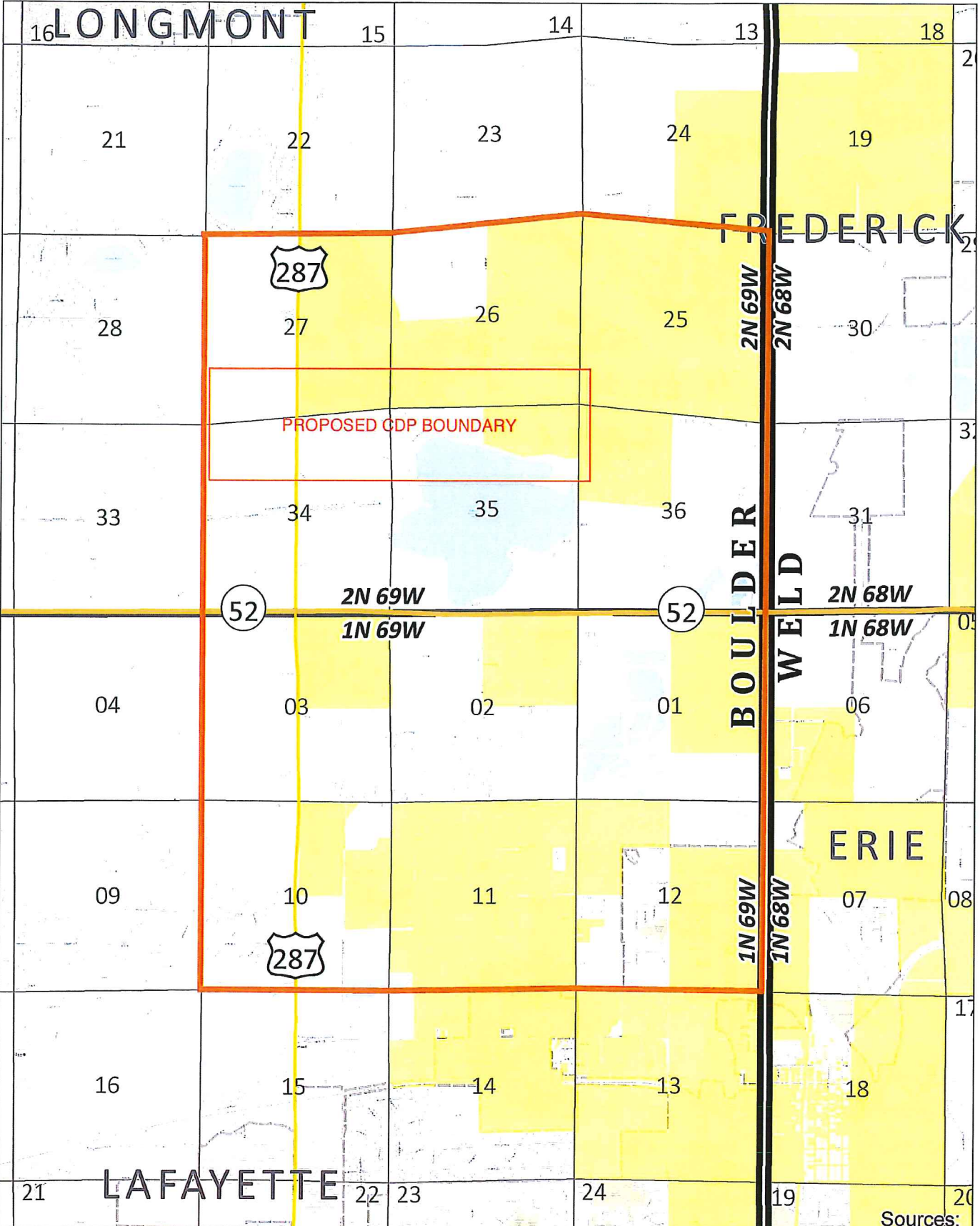
Laurie J. Wizeman  
Notary Public

Reference Map  
Crestone Peak Resources Operating, LLC

Sections 1, 2, 3, 10, 11 and 12, Township 1 North, Range 69 West, 6<sup>th</sup> P.M. and  
Sections 25, 26, 27, 34, 35 and 36, Township 2 North, Range 69 West, 6<sup>th</sup> P.M.,  
Boulder County, Colorado

[See attached map.]

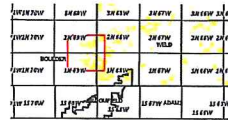
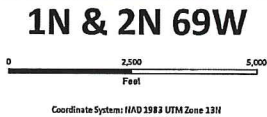
There are no federally owned minerals within the Application Lands

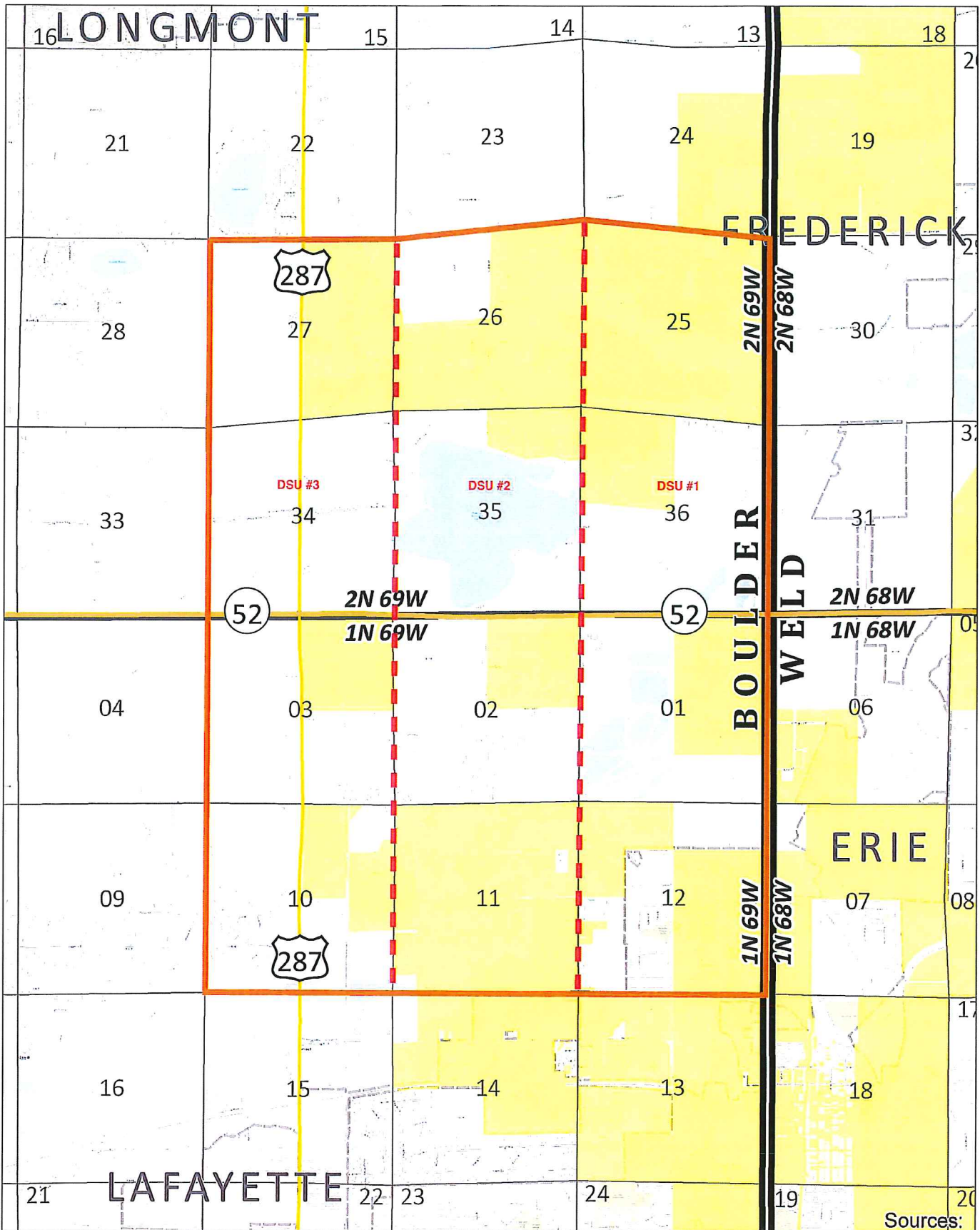


Sources:

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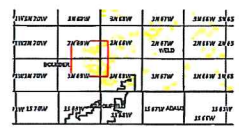
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**1N & 2N 69W**



Coordinate System: NAD 1983 UTM Zone 13N



## Exhibit 1

### 216. COMPREHENSIVE DRILLING PLANS

a. **Purpose.** Comprehensive Drilling Plans are intended to identify foreseeable oil and gas activities in a defined geographic area, facilitate discussions about potential impacts, and identify measures to minimize adverse impacts to public health, safety, welfare, and the environment, including wildlife resources, from such activities. An operator's decisions to initiate and enter into a Comprehensive Drilling Plan are voluntary.

b. **Scope.** A Comprehensive Drilling Plan shall cover more than one (1) proposed oil and gas location within a geologic basin, but its scope may otherwise be customized by the operator to address specific issues in particular areas. Although operators are encouraged to develop joint Comprehensive Drilling Plans covering the proposed activities of multiple operators where appropriate, Comprehensive Drilling Plans will typically cover the activities of one operator.

c. **Information requirements.** Operators are encouraged to submit the most detailed information practicable about the future activities in the geographic area covered by the Comprehensive Drilling Plan. Detailed information is more likely to lead to identification of specific impacts and agreement regarding measures to minimize adverse impacts. The information included in the Comprehensive Drilling Plan shall be decided upon by the operator, in consultation with other participants. Information provided by operators to federal agencies to obtain approvals for surface disturbing activities on federal land may be submitted in support of a Comprehensive Drilling Plan. The following information may be included as part of a Comprehensive Drilling Plan, depending on the circumstances:

(1) A U.S. Geological Survey 1:24,000 topographic map showing the proposed oil and gas locations, including proposed access roads and gathering systems reasonably known to the operator(s);

(2) A current aerial photo showing the proposed oil and gas locations displayed at the same scale as the topographic map to facilitate use as an overlay;

(3) Overlay maps showing the proposed oil and gas locations, including all proposed access roads and gathering systems, drainages and stream crossings, and existing and proposed buildings, roads, utility lines, pipelines, known mines, oil or gas wells, water wells known to the operator(s) and those registered with the State Engineer's Office, and riparian areas;

(4) A list of all proposed oil and gas facilities to be installed within the area covered by the Comprehensive Drilling Plan over the time of the Plan and the anticipated timing of the installation;

(5) A plan for the management of exploration and production waste;

(6) A description of the wildlife resources at each oil and gas location;

(7) Wildlife information that is determined necessary after consultation with the Colorado Parks and Wildlife;

(8) Locations of all proposed reference areas to be used as guides for interim and final reclamation;

(9) Past economic uses to which the land has been put in the previous ten (10) years reasonably known to the operator(s);

(10) Any planned variance requests that are reasonably known to the operator;

(11) Proposed best management practices or mitigation to minimize adverse impacts to resources such as air, water, or wildlife resources; and

(12) A list of all parties that participated in creating the Comprehensive Drilling Plan pursuant to Rule 216.d.(2).

**d. Procedure.**

(1) One or more operator(s) may submit a proposed Comprehensive Drilling Plan to the Commission, describing the operator's reasonably foreseeable oil and gas development activities in a specified geographic area within a geologic basin. The Director may request an operator to initiate a Comprehensive Drilling Plan, but the decision to do so rests solely with the operator.

(2) The operator(s) shall invite the Colorado Department of Public Health and Environment, the Colorado Parks and Wildlife, local governmental designee(s), and all surface owners to participate in the development of the Comprehensive Drilling Plan. In many cases, participation by these agencies and individuals will facilitate identification of potential impacts and development of conditions of approval to minimize adverse impacts.

(3) The operator(s), the Director, and participants involved in the Comprehensive Drilling Plan process shall review the proposal, identify information needs, discuss operations and potential impacts, and establish measures to minimize adverse impacts resulting from oil and gas development activities covered by the Plan.

(4) The Director shall place on the Commission's hearing agenda in a timely manner a Comprehensive Drilling Plan that has been agreed to in writing by the operator(s) and that the Director considers suitable after consultation with the Colorado Department of Public Health and Environment and the Colorado Parks and Wildlife, as applicable, and consideration of any other comments.

(5) The Director shall identify and document the agreed-upon conditions of approval for activities within the geographic area covered by the accepted Comprehensive Drilling Plan.

(6) Comprehensive Drilling Plans that have been accepted by the Commission shall be posted on the COGCC website, subject to any confidential or proprietary information belonging to the operator or other parties being withheld. Written information obtained or compiled from landowners and operators in conjunction with development of a Comprehensive Drilling Plan is exempt from disclosure to the public, provided that any page containing information subject to withholding under the Colorado Open Records Act is clearly labeled with the words "Confidential Information." The Commission, the Colorado Department of Public Health and Environment, and the Colorado Parks and Wildlife will keep all such data and information confidential to the extent allowed by the Colorado Open Records Act.

(7) Before initiating a Comprehensive Drilling Plan, operators are encouraged to discuss with the Director and, as appropriate, the Colorado Department of Public Health and Environment and the Colorado Parks and Wildlife, the scope of the Plan, the schedule for its preparation, the information to be included, any public participation opportunities, and whether the Plan is intended to satisfy Form 2A requirements.

**e. Variances and site-specific approvals.**

(1) A Comprehensive Drilling Plan may incorporate variances to any of these rules,

provided that all of the requirements for granting variances are met.

(2) Practices and conditions agreed to in an accepted Comprehensive Drilling Plan shall be:

A. Included as conditions of approval in any Form 2 or other permit for individual wells or other ground-disturbing activity covered by the Plan, where no Form 2A is required under Rule 303.d.(2).B.



B. Included as conditions of approval in any Form 2, Form 2A, or other permit for individual wells or other ground-disturbing activity covered by the Plan, where a Form 2A is required under Rule 303.d.(1).

Any permit-specific condition of approval for wildlife habitat protection will be included only with the consent of the surface owner.

f. **Incentives.** The following incentives shall apply as a means to facilitate and encourage the development of Comprehensive Drilling Plans by operators:

(1) Where the Comprehensive Drilling Plan contains information substantially equivalent to that which would be required in a Form 2A for the proposed oil and gas location and the Comprehensive Drilling Plan has been subject to procedures substantially equivalent to those required for a Form 2A, then a Form 2A shall not be required for a proposed oil and gas location that was included in the Comprehensive Drilling Plan and does not involve a variance from the Plan or a variance from these rules not addressed in the Comprehensive Drilling Plan.

(2) Where the Comprehensive Drilling Plan does not contain information substantially equivalent to that which would be required in a Form 2A for the proposed oil and gas location or the Comprehensive Drilling Plan has not been subject to procedures substantially equivalent to those required for a Form 2A or the operator seeks a variance from the Comprehensive Drilling Plans or a provision of these rules that is not addressed in the Plan, then a Form 2A shall be required for a proposed oil and gas location included in the Comprehensive Drilling Plan. However, the Director shall modify the informational and procedural requirements for such Form 2A to reflect the information included in and procedures used to approve the Comprehensive Drilling Plan and with input, where appropriate, from the Colorado Department of Public Health and Environment and the Colorado Parks and Wildlife.

(3) Where a proposed oil and gas location is covered by an approved Comprehensive Drilling Plan and no variance is sought from such Plan or these rules not addressed in the Comprehensive Drilling Plan, then the Director shall give priority to and approve or deny an Application for Permit-to-Drill, Form 2, or Oil and Gas Location Assessment, Form 2A, within thirty (30) days of a determination that such application is complete pursuant to Rule 303.h unless significant new information is brought to the attention of the Director.

(4) Where the Director does not issue a decision on an Application for Permit-to-Drill, Form 2, or an Oil and Gas Location Assessment, Form 2A, for an oil and gas location as described in Rule 216.f.(3) above within thirty (30) days, then within five (5) days the Director shall provide the operator with a written explanation for the delay and the anticipated decision date, and the operator may request a hearing before the Commission. Such a hearing shall be expedited but will be held only after both the 20 days' notice and the newspaper notice are given as required by Section 34-60-108, C.R.S. However, the hearing may be held after the newspaper notice if all of the entities listed under Rule 503.b waive the 20-day notice requirement.

(5) Any party requesting a hearing pursuant to Rule 503.b.(7) on the Director's approval of an Application for Permit-to-Drill, Form 2, or an Oil and Gas Location Assessment, Form 2A, for an oil and gas location that includes conditions of approval arrived at as part of an accepted Comprehensive Drilling Plan shall bear the burden of establishing that the conditions of approval are insufficient to protect public health, safety, welfare, the environment, and wildlife resources due to new information or changed circumstances occurring since the Comprehensive Drilling Plan was accepted by the Commission.

g. **Duration.** Once accepted by the Commission, a Comprehensive Drilling Plan shall be valid for a period of six (6) years.

h. **Modification.** An accepted Comprehensive Drilling Plan may be modified using the same process as that leading to acceptance of the original Plan either upon the initiative of the operator or upon the

initiative of the Director and upon a showing that there has been a change in an applicable provision in these rules or a significant change to the basis upon which the Plan was developed. The review and approval of the modification shall focus only on the proposed modification(s).

\*As of January 30, 2015