

# *COGCC Readiness Whitepaper*

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**COLORADO**

**Oil & Gas Conservation  
Commission**

Department of Natural Resources

# *COGCC Readiness Whitepaper*

- COGCC Posted this morning:
  - Readiness White Paper
  - 2020 Readiness Whitepaper FAQs



# *Purpose of Readiness Whitepaper*

- To review and communicate the readiness of the COGCC to accomplish its statutory duties in the unprecedented environment of the COVID-19 pandemic and record drop in commodity oil prices.
- Current active well #s



# *Purpose of Readiness Whitepaper*

- Explanation of engineering standards relevant to:
  - Shut in wells
  - Temporarily abandoned wells
  - Plugged and abandoned wells
  - Drilled but not completed wells



# *Purpose of Readiness Whitepaper*

- Explanation of our field inspection and environmental protection specialists units
- Industry Outlook
- Evaluation of compliance deadlines and other measures in response to Covid-19 at COGCC



# *COGCC Readiness Whitepaper*

## Overview:

- The COGCC is organized such that the pandemic and industry downturn has not to this point and is not expected in the future to represent a significant impediment to safe operations
- First, key inspection personnel are deployed across the state and are equipped to access information from home offices and mobile devices.



# *COGCC Readiness Whitepaper*

## Overview:

- Second, operational information is uploaded and maintained in digital format which provides inspection staff with ready, remote access.
- In addition to its field inspection experts, the COGCC is composed of teams of engineers, geologists, environmental and reclamation specialists, and enforcement professionals who regulate the industry.



# *COGCC Readiness Whitepaper*

## Overview:

- Third, COGCC's regulatory structure ensures that these professionals are able to continue their critical regulatory functions irrespective of what economic, social or health emergencies may exist.





# COGCC Readiness Whitepaper

Table 1 - Well Status 2019/2020

| Month | Active Wells |        | Shut-in Wells |       | Temporarily Abandoned Wells |       |
|-------|--------------|--------|---------------|-------|-----------------------------|-------|
|       | 2019         | 2020   | 2019          | 2020  | 2019                        | 2020  |
| Jan   | 53,385       | 52,068 | 10,116        | 9,306 | 1,539                       | 1,734 |
| Feb   | 53,278       | 52,022 | 10,033        | 9,225 | 1,439                       | 1,982 |
| Mar   | 53,294       | 51,953 | 9,628         | 9,068 | 1,486                       | 2,049 |

Note: A Shut-in Well is capable of production by opening valves, activating existing equipment or supplying a power source. A Temporarily Abandoned Well has all downhole completed intervals isolated with a plug set above the highest perforation such that the well cannot produce without removing a plug or is incapable of production due to the removal of equipment required to transfer product from the well.



# *Engineering standards address well shut ins*

- Mike Leonard, Acting Field Operations Manager and Dave Andrews, Engineering Manager
- Categories of wells
  - Shut In Wells
  - Temporarily Abandoned Wells
  - Plugged and Abandoned Wells
  - Drilled But Not Completed Wells
- How Operators and COGCC are equipped to address these wells



# COGCC Readiness Whitepaper

Table 2 - Inspection Activity 2019/2020

| Month | Well/Location Inspections |           | Notices of Spud/Frac |         | Notices of Plugging Ops |      |
|-------|---------------------------|-----------|----------------------|---------|-------------------------|------|
|       | 2019                      | 2020      | 2019                 | 2020    | 2019                    | 2020 |
| Jan   | 3822/1815                 | 4655/2197 | 171/119              | 82/126  | 274                     | 292  |
| Feb   | 3347/1652                 | 4203/1885 | 168/144              | 87/108  | 223                     | 280  |
| Mar   | 3349/1902                 | 4685/2042 | 159/169              | 107/108 | 261                     | 333  |
| Apr   | 2894/1770                 | 4193/2357 | 160/186              | 59/51   | 326                     | 152  |



# *COGCC & Industry*

- As of the end of 2019, there were 52,153 active wells among 421 operators.
- Forty operators (10% of the active operators) controlled approximately 47,000 wells (90% of the active wells).
- COGCC's monitoring efforts remain adequate and in place during Covid-19 and the commodity price downturn.



# *COGCC & Industry*

- COGCC does not have the statutory authority to control either price or production.
- COGCC does have the authority to order an operator to shut in a well if the well cannot be operated in a manner that is protective of public health, safety, and welfare, the environment and wildlife resources.



# *Evaluation of Compliance Deadlines and Other Measures in Response to COVID-19*

- Operators, Colorado legislators, and the Governor's office requested COGCC review what, if any, compliance measures could be eased as businesses respond to COVID-19 and have reduced access to office based resources.



# *Evaluation of Compliance Deadlines and Other Measures in Response to COVID-19*

- COGCC revised the Corrective Action matrix
  - Sets the response time operators are allowed to address rule violations noted during an inspection
  - Added a COVID-19 response time column
  - Distributed to employees on April 15



# *Evaluation of Compliance Deadlines and Other Measures in Response to COVID-19*

- The revised matrix does not extend the deadlines associated with any matters that directly affect public health, safety, and welfare, the environment or wildlife resources
- Only extends some reporting and administrative deadlines





# *Evaluation of Compliance Deadlines and Other Measures in Response to COVID-19*

- Three new Notices to Operators (NTOs) were published to the COGCC website on May 1 in response to the Governor's "Stay at Home" and "Safer at Home" orders and other changed circumstances in response to COVID-19.



# *Evaluation of Compliance Deadlines and Other Measures in Response to COVID-19*

- The NTOs address:
  - The acceptability of electronic service and signatures
  - Extending the approval period for notices of intent to abandon wells
  - Delayed sampling, monitoring or reporting associated with ongoing soil or groundwater remediation projects when there is not a public health, safety, welfare, or environmental threat.



# *Readiness White Paper Conclusion*

- Regardless of the economic conditions and in the face of a workplace pandemic, the COGCC is poised to continue its responsible regulation of the oil and gas industry in Colorado in a manner that protects public health, safety, and welfare, the environment and wildlife resources.
- The COGCC staff's technical expertise, experience, and regional coverage throughout the operating basins in the state remain a core strength and an example of good governance in the face of challenging situations.



# *2020 Readiness White Paper FAQs*

- Available on the COGCC's website

<https://cogcc.state.co.us/#/home>



# *Questions?*



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