



COLORADO

Oil & Gas Conservation
Commission

Department of Natural Resources

Memorandum

To: File

From: Mark Weems, P.E. *[Signature]*
Regional Engineer - SW Colorado

Date: March 13, 2015

Subject: Relinquishing Regulatory Authority and Re-Assignment to CDWR

Ackerman #1
NENE 19 10N 68W
API #069-05209
Larimer Co
Accounting Code: AKER

Situation

This well was plugged back and turned over to the landowner as a fresh water well. The operator failed to provide the COGCC with appropriate plugging reports to document the changes and verify that the COGCC rules have been complied with. Also, the landowner has not registered it as a water well with the Colorado Division of Water Resources. As it stands, this well is under the regulatory authority of the COGCC and out of compliance with the rules and regulations.

Recent Action (Fall 2014 to Present)

The well was sampled and tested by the COGCC with the water being deemed "fresh" at 1800 ppm TDS and the gas analysis strongly indicative of biogenic in origin. This information has been provided to the landowner. Mark Schlagenhauf, COGCC-Region Engineer, verbally expressed a desire to the operator to either let the commission PA the well or the landowner register it as a water well. The landowner understood and asked for some time to research the water rights and feasibility to utilize this well for fresh water purposes.

Recommendation

Since this well has been in this situation since 1973 and to avoid perpetual indecision in resolving this matter, it is recommended to accommodate the landowner time to research the subject yet assign him a deadline of three (3) to six (6) months to make his choice to either let the commission PA the well or he register it with the Colorado Division of Water Resources shortly thereafter. It is recommended that this be conveyed by a written letter and agreement delivered certified return receipt mail including a self-stamped addressed return letter to the COGCC with his signature to the agreement.

In the mean time or shortly after the deadline, it is recommended to verify the supposed plug back TD for additional assurance it has indeed been plugged back. This can be done by the COGCC or the landowner by running a wireline sinker bar to determine that depth and done most likely via the services of a third party expert. If the depth is sufficient for PA purposes, then re-classify the well to the status of PA with a statement that the previous work is deemed acceptable. The matter can then be turned over to both the landowner and the Colorado Division of Water Resources for proper registering purposes.

In the event the landowner fails to provide the COGCC with a decision within the allotted time and done so via a formally written signed agreement regarding the COGCC's offer to PA, then let it be stated in same letter that the COGCC will provide one (1) week notice that the well will be entered to measure the plugged back total depth and the matter likely turned over the CDWR for regulatory authority.

Conclusion

Because of the legal ramifications, I recommend this matter now be turned over and managed from here forward by the Hearings Unit and an enforcement officer. For more info see:

G:\Engineering Unit\Orphan_Locations\Engineering\FYE2014-06 Ackerman #1 PA\01 Project Initiation IPO\Well File Review

3/13/2015

Notes to a subsequent meeting between:

Stuart Ellsworth – COGCC Engineering Mgr

Mark Schlagenhauf – COGCC Region Engineer T1N 2N 3N R61W

Mark Weems – COGCC Region Engineer SW CO – PRAW Mgr

- A. Stuart insisted that the COGCC will not run a wireline to verify PBTD
- B. Mark Schlagenhauf will enter an eform 6 – Report of Abandonment – Subsequent Report of Abandonment and pass it
- C. Discuss the history of the well with the CDWR and inform them that the well is considered adequately plugged back and is relinquishing regulatory authority to the CDWR