



Department of Energy
National Nuclear Security Administration
Nevada Site Office
P.O. Box 98518
Las Vegas, NV 89193-8518

AUG 15 2003

AUG 12 2003

Brian Macke, Deputy Director
State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

**APPLICATION FOR PERMIT TO DRILL THE PRESCO INC. BATTLEMENT MESA
27-44 WELL**

Thank you for providing our office a copy of the subject Application for Permit to Drill for a natural gas well that will be located within three miles of the Project Rulison Site. As was agreed to in the past, we have evaluated the information provided to determine if we felt it is necessary to collect samples from this well to ensure no potential contamination from the Rulison underground nuclear test would be encountered. At this time we do not feel it is necessary to collect samples from the well, based on the information provided. We would like to be kept informed by either the well operator or your office on the progress of completion of this well, in order to be able to evaluate any new information generated. We do have plans to collect gas samples from wells near the Rio Blanco site later this year and, if needed, may be able to collect a sample from the Presco well, if the timing would work out.

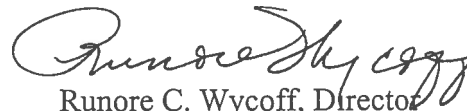
On a related subject, I would like to provide you information on the current status of our plans for investigation of the subsurface contamination associated with the Rulison Underground Nuclear Test. Reaching closure for the underground nuclear test site will rely on predictions of gas-phase transport of test-related contaminants. This task will use existing data to create a flow and transport model for the site. The objective of the modeling is to determine the potential for contaminant transport from the nuclear cavity into resources of value, under existing conditions or during future resource development. Specifically, this task will interpret subsurface data to develop a conceptual model of flow and transport, select boundary conditions, evaluate subsurface data to determine mean values and ranges for parameters, evaluate oil and gas production history in the region to develop a model of stressed conditions, develop a steady-state gas- and liquid-phase flow model of the site, perform transport calculations under current, non-stressed conditions, develop a transient model of stressed (development conditions), and evaluate the results in the context of the subsurface exclusion boundary and with consideration of uncertainty.

Brian Macke

-2- AUG 12 2003

AUG 15 2003

We appreciate the effort your office has put forth in keeping us informed on oil and gas activities in the area surrounding the Rulison site. If you, or a member of your staff, would like to further discuss our planned activities for either the Rulison or Rio Blanco Sites, please contact Peter A. Sanders or Monica L. Sanchez, of my staff, at (702) 295-1037 or (702) 295-0160, respectively.



Runore C. Wycoff, Director
Environmental Restoration Division

ERD-PAS-229