

***COLORADO OIL & GAS CONSERVATION COMMISSION***

**PLUG RECLAIM ABANDON  
WELL SITE PROGRAM**

**OCTOBER 31, 2012**

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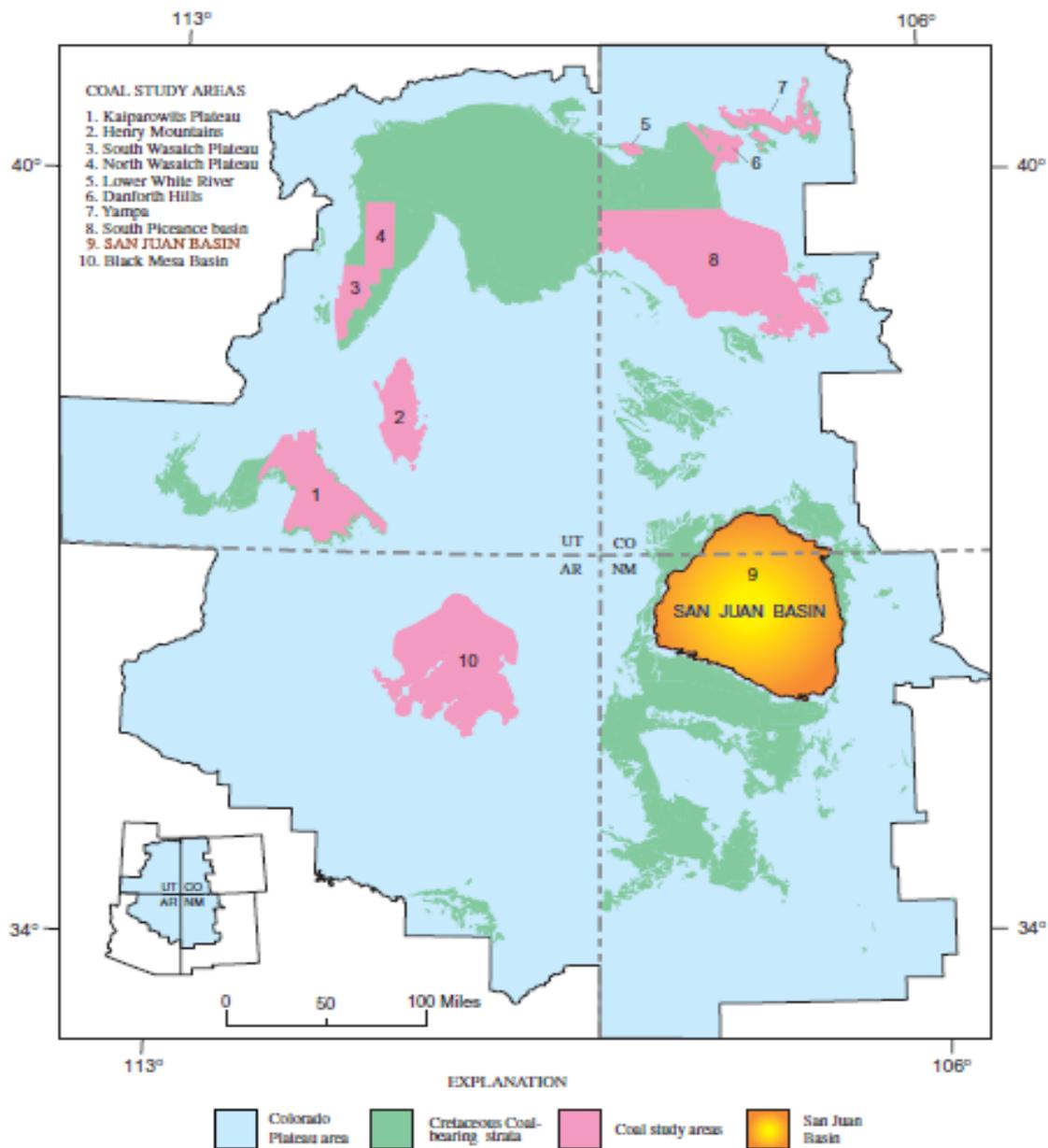


Figure 1. Index map showing the occurrences of Upper Cretaceous coal-bearing rocks and coal study areas in the Colorado Plateau region of the Western United States.

# History

- 1890 Crude oil discovered near Florence, CO
- 1951 Oil and Gas Conservation Act
- 1988 San Juan Basin - Fruitland Coal Gas Boom
  - *Reports of gas flames in sinks, bubbles in ponds, streams and rivers*
  - *Water wells mysteriously going dry*
  - *Explanations were often uncertain, confusing, misunderstood, doubted and unproven*
  - *Controversy erupted over the gas well drilling and development*
  - *Public outcry and media frenzy on stories*
  - *Insufficient systems were in place to investigate, research, diagnose, solve or explain the circumstances*
  - *Orphaned wells and improperly plugged orphaned wells were targeted*

# History

- **1990 Environmental Response Fund**
- *State Senator, Jim Dyer, introduced a bill to establish a FUND that would be managed by the COGCC to address many of the environmental issues and concerns.*
- *Ultimately giving way to a law to implement a management tool known today as the ENVIRONMENTAL RESPONSE FUND...*

# OIL AND GAS CONSERVATION ACT

Title 34, Article 60 (As Amended)

## ***34-60-124. Oil and Gas Conservation & Environmental Response Fund.***

***“...prevent...conditions that...cause a significant adverse environmental impact on [the environment]...”***

***“...gather...baseline data...on any air, water, [or] soil... that the commission determines may be so impacted by the conduct of oil and gas operations...”***

***“...investigate alleged violations...where the alleged violation threatens to cause or actually causes a significant adverse environmental impact...”***

***“...If the responsible party cannot be identified or refuses to comply...the commission shall authorize the necessary expenditure from the fund [to mitigate adverse environmental impacts]...”***



<i>Plug Reclaim Abandon Wellsite</i>	<i>\$445K/YR</i>
<i>Environmental Assistance And Complaint Resolution</i>	<i>\$312K/YR</i>
<i>Special Environmental Protection and Mitigation Studies</i>	<i><u>\$325K/YR</u></i>
<i>Total</i>	<i>\$1,082K/YR</i>

***EMERGENCY RESPONSE RESERVES***      ***\$1,000K/YR***

February 2006

# Bondad, CO



**Fissure Vent Hole**





**Bryce No. 1-X**

**Nick Spatter No. 1**



