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## COLORADO OIL AND GAS CONSERVATION COMMISSION RECOGNIZES OUTSTANDING OPERATORS FOR 2011

The Colorado Oil and Gas Conservation Commission announced today its selections for outstanding operators in 2011. The awards recognize the accomplishments of the oil and gas industry in operational and environmental areas as well as in community involvement.

This round of awards marks the 16<sup>th</sup> year the agency has highlighted top operators. Companies recognized for their accomplishments in 2011 include Anadarko Petroleum, East Cheyenne Gas Storage, Encana Oil and Gas (USA), Oxy USA WTP, SG Interests I and WPX Energy Rocky Mountain. The awards were announced at the Colorado Oil & Gas Association's annual conference in Denver.

"We want to highlight examples of companies that are moving the industry forward and showing exceptional leadership when it comes to protection of the environment, and in working productively with the communities in which they operate," said COGCC director Matt Lepore. "Operators in Colorado are among the industry's best, and their work here is setting the pace and the example nationally."

A summary of the award recipients follows.

### **ENVIRONMENTAL PROTECTION AND RECLAMATION**

**Encana Oil & Gas (USA) Inc.** – The company has converted 23% of its fleet and 50% of the drilling rigs to operate on natural gas (CNG). Encana has also coordinated with Garfield County and the Roaring Fork Transit Authority (RFTA) and has sponsored the conversion of 22 RFTA transit buses to CNG as well as two vehicles for the City of Rifle. Further, Encana helped fund CNG fueling stations in Grand Junction and Rifle.

Encana is using an innovative, "one touch" method to reclaim disturbed sites within the Piceance Basin. The process involves aggressive surface roughing, use of diverse native vegetation and returning the land to pre-development condition. Roadways were reclaimed and closed by removal of all improvements, grading out all ditches and

blending the grading into the existing topography to remove the appearance of a road. Natural debris of trees, logs, slash, stumps and boulders were placed across the road to further deter motorized use.

## ***ENVIRONMENTAL PROTECTION and COMMUNITY RELATIONS***

**Anadarko Petroleum Corp.** – Anadarko improved designs for production facilities in a way that further minimize emissions and improve air quality. The design for all new installations combines separators, closed tank systems, enclosed combustion devices, vapor recovery units and management of low pressure gas to capture and reduce emissions. Anadarko estimates that the vapor recovery units can capture about 200,000 Mcf of additional natural gas per day.

Anadarko in 2011 also converted nine fleet vehicles to natural gas, reused 1.4 million barrels of hydraulic fracture flowback water and recycled 400,000 barrels of produced water for hydraulic fracture treatments. It also constructed a water treatment process facility to recycle the water.

Anadarko's community relations work was also exemplary. It has provided education and outreach programs to local governments and elected officials with presentations on how a well is drilled and completed, best management practices and mitigation measures to reduce impacts. Anadarko held these meetings with numerous towns, cities and counties along the Front Range.

For the fifth consecutive year Anadarko has supported Mile High United Way and Habitat for Humanity. In 2011 Anadarko employees provided over 2,000 hours to Habitat for Humanity, and completed a commercial kitchen for Weld County Food Bank, along with providing hundreds of volunteer hours to the operation of the food bank. Anadarko provides sponsorship to the Denver Center for Performing Arts, Denver Zoo, Denver Botanic Gardens, and the Denver Museum of Nature and Science, along with several other cultural events and institutions in the surrounding communities.

## ***RECLAMATION***

**East Cheyenne Gas Storage, LLC.** – East Cheyenne Gas Storage took over the West Peetz and Lewis Creek Oil Fields in Logan County – fields originally developed in the 1950s - for conversion to a gas storage facility. In the conversion process, 26 old wells were re-entered to abandon or rework and old equipment removed to an authorized exploration and production waste facility. Contaminated soil from old pits was land-farmed on site. Clean top soil was placed at the well site for revegetation. The work both provided a second life for a depleted oil field as well as the reclamation of an historic oil field.

## ***TECHNOLOGY APPLICATION***

**SG Interests I, Ltd.** – SG Interests utilized the technology of LIDAR to perform aerial site assessment that improved analysis, planning and development of an oil and gas

unit. The technology has provided SG Interests with a “Site Stability Model” planning tool to locate facilities such as roads, gathering pipelines, wells, well pads, and production facilities in a way that reduces environmental and aesthetic impacts. The use of LIDAR provided SG Interests with a tool to optimize setbacks from buildings, streams and wetlands, plus reduce impact on vegetation and help reduce erosion.

### ***RECYCLING and REUSE***

**Oxy USA WTP LP (Oxy)** – Oxy developed methods to recycle and reuse produced water within the Piceance Basin by filtering 6,400 to 10,000 barrels per day for use in its drilling, completion and fracturing operations. The improved water management has reduced the need for produced water storage and disposal as well as demands for fresh water. This water management program used pipelines to collect and distribute water, reducing the truck traffic and impacts to public roadways. Oxy estimates that 1,600,000 barrels have been recycled for reuse through this program.

### ***ENVIRONMENTAL PROTECTION THROUGH FOOTPRINT REDUCTION & WASTE MINIMIZATION***

**WPX Energy Rocky Mountain, LLC.** – WPX created a new rig design called “split rig” to manage the steep topographic challenges of western Colorado. The rig design includes the derrick and substructure surrounded by engines, mud handling equipment and tanks, along with housing trailers, all engineered to stretch lengthwise to match the narrow topography of many valleys. The rig design results in a smaller activity footprint and better access during the drilling of a 21-well pad.

WPX Energy conducted a system-wide review to reduce impacts related to traffic, emissions, dust, spills and noise and water. Improvements included fully automated water treatment facilities in Rulison and Parachute as well a network of pipelines in the Piceance Basin. The investment has reduced truck trips by 95 percent, water handling costs by 60 percent and improved water recycling.

In another project, WPX solidifies and stabilizes drill cuttings by blending them with a fiber product derived from beetle-killed trees, a method that also provides an additional market for beetle-kill. The remediation process dramatically reduced liquid content, as well as gasoline- and diesel-range organics.

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