

RULES AND REGULATIONS

DEFINITIONS (100 Series)

ACT shall mean the Oil and Gas Conservation Act of the State of Colorado.

APPLICANT shall mean the person who institutes a proceeding before the Commission, which it has standing to institute under these rules.

AQUIFER shall mean a geologic formation, group of formations or part of a formation that can both store and transmit ground water. It includes both the saturated and unsaturated zone but does not include the confining layer, which separates two (2) adjacent aquifers.

ASSEMBLY BUILDING shall mean any building or portion of building or structure used for the regular gathering of fifty (50) or more persons for such purposes as deliberation, education, instruction, worship, entertainment, amusement, drinking or dining, or awaiting transport.

AUTHORIZED DEPUTY shall mean a representative of the Director as authorized by the Commission.

BATTERY shall mean the point of collection (tanks) and disbursement (tank, meter, lease automated custody transfer [LACT] unit) of oil or gas from producing well(s).

BARREL shall mean forty-two (42) gallons (U.S.) at sixty degrees fahrenheit (60o F) at atmospheric pressure.

BRADENHEAD TEST AREA shall mean any area designated as a bradenhead test area by the Commission under Rule 207.b.

BUILDING UNIT shall mean a building or structure intended for human occupancy. A dwelling unit is equal to one (1) building unit, every guest room in a hotel/motel is equal to one (1) building unit, and every five thousand (5,000) square feet of building floor area in commercial facilities, and every fifteen thousand (15,000) square feet of building floor area in warehouses, or other similar storage facilities, is equal to one (1) building unit.

CEASE AND DESIST ORDER shall mean an order issued by the Commission pursuant to §34-60-121(5), C.R.S.

CENTRALIZED E&P WASTE MANAGEMENT FACILITY shall mean a facility, other than a commercial disposal facility exclusively regulated by the Colorado Department of Public Health and Environment, that is: (1) used exclusively by one owner or operator; or (2) used by more than one operator under an operating agreement and which receives for collection, treatment, temporary storage, and/or disposal of produced water, drilling fluids, drill cuttings, completion fluids, and any other exempt E&P wastes that are generated from two or more production units or areas or from a set of commonly owned or operated leases. This definition includes the surface storage and disposal facilities that are present at Class II disposal well sites. This definition also includes oil-field naturally occurring radioactive materials (NORM) related storage, decontamination, treatment, or disposal.

COMMERCIAL DISPOSAL WELL FACILITY shall mean a facility whose primary objective is disposal of Class II waste from a third party for financial profit.

COMMISSION shall mean the Oil and Gas Conservation Commission of the State of Colorado.

COMPLETION. An oil well shall be considered completed when the first new oil is produced through wellhead equipment into lease tanks from the ultimate producing interval after the production string has been run. A gas well shall be considered completed when the well is capable of producing gas through wellhead equipment from the ultimate producing zone after the production string has been run. A dry hole shall be considered completed when all provisions of plugging are complied with as set out in these rules. Any well not previously defined as an oil or gas well, shall be considered completed ninety (90) days after reaching total depth. If approved by the Director, a well that requires extensive testing shall be considered completed when the drilling rig is released or six (6) months after reaching total depth, whichever is later.

CORNERING AND CONTIGUOUS UNITS when used in reference to an exception location shall mean those lands which make up the unit(s) immediately adjacent to and toward which a well is encroaching upon established setbacks.

CROP LAND shall mean lands which are cultivated, mechanically or manually harvested, or irrigated for vegetative agricultural production.

CUBIC FOOT of gas shall mean the volume of gas contained in one (1) cubic foot of space at a standard pressure base and a standard temperature base. The standard pressure base shall be fourteen point seventy three (14.73) psia, and the standard temperature base shall be sixty degrees fahrenheit (60°F).

D-J BASIN FOX HILLS PROTECTION AREA shall mean that area of the state consisting of Townships 5 South through Townships 5 North, Ranges 58 West through 70 West, and Township 6 South, Ranges 65 West through 70 West.

DAY shall mean a period of twenty-four (24) consecutive hours.

DEDICATED INJECTION WELL shall mean any well as defined under 40 C.F.R. §144.5 B, 1992 Edition, (adopted by the U.S. Environmental Protection Agency) used for the exclusive purpose of injecting fluids or gas from the surface. The definition of a dedicated injection well does not include gas storage wells.

DESIGNATED AGENT when used herein shall mean the designated representative of any producer, operator, transporter, refiner, gasoline or other extraction plant operator, or initial purchaser.

DESIGNATED OUTSIDE ACTIVITY AREAS shall mean a well-defined outside area (such as a playground, recreation area, outdoor theater, or other place of public assembly) that is occupied by twenty (20) or more persons on at least forty (40) days in any twelve (12) month period or by at least five hundred (500) or more people on at least three (3) days in any twelve (12) month period.

DIRECTOR shall mean the Director of the Oil and Gas Conservation Commission of the State of Colorado or any member of the Director's staff authorized to represent the Director.

DOMESTIC GAS WELL shall mean a gas well that produces solely for the use of the surface owner. The gas produced cannot be sold, traded or bartered.

DRILLING PITS shall mean those pits used during drilling operations and initial completion of a well, and include:

ANCILLARY PITS used to contain fluids during drilling operations and initial completion procedures, such as circulation pits and water storage pits.

COMPLETION PITS used to contain fluid during initial completion procedures, and not originally constructed for use in drilling operations.

RESERVE PITS used to store drilling fluids for use in drilling operations or to contain E&P waste generated during drilling operations and initial completion procedures.

EDUCATIONAL FACILITY shall mean any building used for legally allowed educational purposes for more than twelve (12) hours per week for more than six (6) persons. This includes any building or portion of building used for licensed day-care purposes for more than six (6) persons.

EMERGENCY ORDER shall mean an order issued by the Commission pursuant to §34-60-108(3), C.R.S.

EMERGENCY SITUATION for purposes of §34-60-121(5), C.R.S., and the rules promulgated thereunder shall mean a fact situation which presents an immediate danger to public health, safety or welfare.

EXPLORATION AND PRODUCTION WASTE (E&P WASTE) shall mean those wastes associated with operations to locate or remove oil or gas from the ground or to remove impurities from such substances, and which are uniquely associated with and intrinsic to oil and gas exploration, development or production operations of which are exempt from regulation under Subtitle C of the Resource Conservation and Recovery Act (RCRA), 42 USC Sections 6921, et. seq. For a waste to be considered an E&P waste, it shall be associated with operations to locate or remove oil or gas from the ground or to remove impurities from such substances and it shall be intrinsic to and uniquely associated with oil and gas exploration, development or production. For natural gas, primary field operations include those production-related activities at or near the wellhead and at the gas plant (regardless of whether or not the gas plant is at or near the wellhead), but prior to transport of the natural gas from the gas plant to market. In addition, uniquely associated wastes derived from the production stream along the gas plant feeder pipelines are considered E&P wastes, even if a change of custody in the natural gas has occurred between the wellhead and the gas plant. In addition, wastes uniquely associated with the operations to recover natural gas from underground storage fields are considered to be E&P waste.

FIELD shall mean the general area which is underlaid or appears to be underlaid by at least one (1) pool; and "field" shall include the underground reservoir or reservoirs containing oil or gas or both. The words "field" and "pool" mean the same thing when only one (1) underground reservoir is involved; however, "field", unlike "pool", may relate to two (2) or more pools.

FINANCIAL ASSURANCE shall mean a surety bond, cash collateral, certificate of deposit, letter of credit, sinking fund, escrow account, lien on property, security interest, guarantee, or other instrument or method in favor of and acceptable to the Commission. With regard to third party liability concerns related to public health, safety and welfare, the term encompasses general liability insurance.

FLOWLINES shall mean those segments of pipe from the wellhead downstream through the production facilities ending at:

In the case of gas lines, the gas metering equipment; or

In the case of oil lines, the oil loading point or LACT unit; or

In the case of water lines, the water loading point, the point of discharge to a pit, or the injection wellhead.

GAS FACILITY shall mean those facilities that process or compress natural gas after production-related activities which are conducted at or near the wellhead and prior to a point where the gas is transferred to a carrier for transport.

GAS STORAGE WELL means any well drilled for the injection, withdrawal, production, observation, and/or monitoring of natural gas stored in underground formations. The fact that any such well is used incidentally for the production of native gas or the enhanced recovery of native hydrocarbons shall not affect its status as a gas storage well.

GAS WELL shall mean a well, the principal production of which at the mouth of the well is gas, as defined by the Act.

GROUND WATER means subsurface waters in a zone of saturation.

HIGH DENSITY AREA shall mean any tract of land determined to be a high density area in accordance with Rule 603.b.

HOSPITAL, NURSING HOME, BOARD AND CARE FACILITIES shall mean buildings used for the licensed care of more than five (5) in-patients or residents.

INACTIVE WELL shall mean any shut-in well from which no production has been sold for a period of twelve (12) consecutive months; any well which has been temporarily abandoned for a period of six (6) consecutive months; or, any injection well which has not been utilized for a period of twelve (12) consecutive months.

INDIAN LANDS shall mean those lands located within the exterior boundaries of a defined Indian reservation, including allotted Indian lands, in which the legal, beneficial, or restricted ownership of the underlying oil, gas, or coal bed methane or of the right to explore for and develop the oil, gas, or coal bed methane belongs to or is leased from an Indian tribe.

INTERVENOR shall mean a local government intervening solely to raise environmental or public health, safety and welfare concerns in which case the intervention shall be granted of right, or a person who has timely filed an intervention in a relevant proceeding and has demonstrated to the satisfaction of the commission that the intervention will serve the public interest, in which case the person may be recognized as a permissive intervenor at the Commission's discretion.

JAIL shall mean those structures where the personal liberties of occupants are restrained, including but not limited to, mental hospitals, mental sanitariums, prisons, reformatories.

LAND APPLICATION shall mean the disposal method by which E&P waste is spread upon or sometimes mixed into soils.

LAND TREATMENT shall mean the treatment method by which E&P waste is applied to soils and treated to result in a reduction of hydrocarbon concentration by biodegradation and other natural attenuation processes. Land treatment may be enhanced by tilling, disking, aerating, composting and the addition of nutrients or microbes.

LOCAL GOVERNMENT means a county, home rule or statutory city, town, territorial charter city or city and county, or any special district established pursuant to the Special District Act, §32-1-101, C.R.S. to §32-1-1505, C.R.S.

LOCAL GOVERNMENTAL DESIGNEE means the office designated to receive, on behalf of the local government, copies of all documents required to be filed with the local governmental designee pursuant to these rules.

LOG or WELL LOG shall mean a systematic detailed record of formations encountered in the drilling of a well.

MULTI-WELL PITS shall mean pits used for treatment or disposal of E&P wastes generated from more than one (1) well.

MULTI-WELL SITE shall mean a common well pad from which multiple wells may be drilled to various bottomhole locations.

NON-CROP LAND shall mean all lands which are not defined as crop land, including range land.

OIL AND GAS OPERATIONS means exploration for oil and gas, including the conduct of seismic operations and the drilling of test bores; the siting, drilling, deepening, recompletion, reworking, or abandonment of an oil and gas well, underground injection well, or gas storage well; production operations related to any such well including the installation of flowlines and gathering systems; the generation, transportation, storage, treatment, or disposal of exploration and production wastes; and any construction, site preparation, or reclamation activities associated with such operations.

OIL WELL shall mean a well, the principal production of which at the mouth of the well is oil, as defined by the Act.

ORPHANED SITE shall mean a site, where a significant adverse environmental impact may be or has been caused by oil and gas operations for which no responsible party can be found, or where such responsible party is unwilling or unable to mitigate such impact.

ORPHAN WELL shall mean a well for which no owner or operator can be found, or where such owner or operator is unwilling or unable to plug and abandon such well.

OWNER shall mean the person who has the right to drill into and produce from a pool and to appropriate the oil or gas produced therefrom either for such owner or others or for such owner and others, including owners of a well capable of producing oil or gas, or both.

PIT shall mean any natural or man-made depression in the ground used for oil or gas exploration or production purposes. Pit does not include steel, fiberglass, concrete or other similar vessels which do not release their contents to surrounding soils.

PLUGGING AND ABANDONMENT shall mean the cementing of a well, the removal of its associated production facilities, the removal or abandonment in-place of its flowline, and the remediation and reclamation of the wellsite.

POINT OF COMPLIANCE means one (1) or more points or locations at which compliance with applicable ground water standards established under Water Quality Control Commission Basic Standards for Ground Water, §3.11.4, must be achieved.

POLLUTION means man-made or man-induced contamination or other degradation of the physical, chemical, biological, or radiological integrity of air, water, soil, or biological resource.

The words **POOL, PERSON, OWNER, PRODUCER, OIL, GAS, WASTE, CORRELATIVE RIGHTS and COMMON SOURCE OF SUPPLY** are defined by the Act, and said definitions are hereby adopted in these rules and Regulations. The word "operator" is used in these rules and regulations and accompanying forms interchangeably with the same meaning as the term "owner" except in Rules 301., 325., and 401. where the word "operator" is used to identify the persons designated by the owner or owners to perform the functions covered by those rules.

PRODUCED AND MARKETED as used in the Act, shall mean, when oil shall have left the lease tank battery or when natural gas shall have passed the metering point and entered into the stream of commerce as its first step toward the ultimate consumer.

PRODUCTION FACILITIES shall mean all storage, separation, treating, dehydration, artificial lift, power supply, compression, pumping, metering, monitoring, flowline, and other equipment directly associated with oil wells, gas wells, or injection wells.

PRODUCTION PITS shall mean those pits used after drilling operations and initial completion of a well, including natural gas gathering, processing and storage facility pits, multi-well pits and:

SKIMMING/SETTLING PITS used to provide retention time for settling of solids and separation of residual oil.

PRODUCED WATER PITS used to temporarily store produced water prior to injection for enhanced recovery or disposal, off-site transport, or surface-water discharge.

PERCOLATION PITS used to dispose of produced water by percolation and evaporation through the bottom and/or sides of the pits into surrounding soils.

EVAPORATION PITS used to contain produced waters which evaporate into the atmosphere by natural thermal forces.

PROTESTANT shall mean a person who has timely filed a protest in a relevant proceeding and has demonstrated to the Commission's satisfaction that the person filing the protest would be directly and adversely affected or aggrieved by the Commission's ruling in the proceeding, and that any injury or threat of injury sustained would be entitled to legal protection under the Act.

RELEASE shall mean any unauthorized discharge of E&P waste to the environment over time.

REMEDIATION shall mean the process of reducing the concentration of a contaminant or contaminants in water or soil to the extent necessary to ensure compliance with the allowable concentrations and levels in Table 910-1 and other applicable ground water standards and classifications.

RESERVE PITS shall mean those pits used to store drilling fluids for use in drilling operations or to contain E&P waste generated during drilling operations.

RESPONDENT shall mean a party against whom a proceeding is instituted, or a PROTESTANT who protests the granting of the relief sought in the application as provided in Rule 509.

RESPONSIBLE PARTY shall mean a person who conducts an oil and gas operation in a manner which is in contravention of any then-applicable provision of the Act, or of any rule, regulation, or order of the Commission, or of any permit, that threatens to cause, or actually causes, a significant adverse environmental impact to any air, water, soil, or biological resource. RESPONSIBLE PARTY includes any person who disposes of any other waste by mixing it with exploration and production waste so as to threaten to cause, or actually cause, a significant adverse environmental impact to any air, water, soil, or biological resource.

SEISMIC OPERATIONS shall mean all activities associated with acquisition of seismic data including but not limited to surveying, shothole drilling, recording, shothole plugging and reclamation.

SENSITIVE AREA is an area vulnerable to potential significant adverse ground water impacts, due to factors such as the presence of shallow economically usable ground water or pathways for communication with deeper economically usable ground water; proximity to surface water, including lakes, rivers, perennial or intermittent streams, creeks, irrigation canals, and wetlands. The procedure for identifying Sensitive Areas is set forth in the Sensitive Area Identification Decision Tree and Guidance Document.

SHUT-IN WELL shall mean a well which is capable of production or injection by opening valves, activating existing equipment or supplying a power source.

SIMULTANEOUS INJECTION WELL shall mean any well in which water produced from oil and gas producing zones is injected into a lower injection zone and such water production is not brought to the surface.

SPECIAL FIELD RULES shall mean those rules promulgated for and which are limited in their application to individual pools or fields within the State of Colorado.

SPECIAL PURPOSE PITS shall mean those pits used in oil and gas operations, including natural gas gathering, processing and storage facility pits, multi-well pits, and:

BLOWDOWN PITS used to collect material resulting from, including but not limited to, the emptying or depressurizing of wells, vessels, or gas gathering systems.

FLARE PITS used exclusively for flaring gas.

EMERGENCY PITS used to contain liquids on a temporary basis due to process upset conditions.

BASIC SEDIMENT/TANK BOTTOM PITS used to temporarily store or treat the extraneous materials in crude oil which may settle to the bottoms of tanks or production vessels and which may contain residual oil.

WORKOVER PITS used to contain liquids during the performance of remedial operations on a producing well in an effort to increase production.

PLUGGING PITS used for containment of fluids encountered during the plugging process.

SPILL shall mean any unauthorized sudden discharge of E&P waste to the environment.

STRATIGRAPHIC WELL means a well drilled for stratigraphic information only. Wells drilled in a delineated field to known productive horizons shall not be classified as "stratigraphic". Neither the term "well" nor "stratigraphic well" shall include seismic holes drilled for the purpose of obtaining geophysical information only.

SUBSURFACE DISPOSAL FACILITY means a facility or system for disposing of water or other oil field wastes into a subsurface reservoir or reservoirs.

TEMPORARILY ABANDONED WELL shall mean a well which is incapable of production or injection without the addition of one or more pieces of wellhead or other equipment, including valves, tubing, rods, pumps, heater-treaters, separators, dehydrators, compressors, piping or tanks.

VOLUNTARY SELF-EVALUATION shall mean a self-initiated assessment, audit, or review, not otherwise expressly required by environmental law, that is performed by any person or entity, for itself, either by an employee or employees employed by such person or entity who are assigned the responsibility of performing such assessment, audit, or review or by a consultant engaged by such person or entity expressly and specifically for the purpose of performing such assessment, audit, or review to determine whether such person or entity is in compliance with environmental laws.

WATERS OF THE STATE mean any and all surface and subsurface waters which are contained in or flow in or through this state, but does not include waters in sewage systems, waters in treatment works of disposal systems, water in potable water distribution systems, and all water withdrawn for use until use and treatment have been completed. Waters of the state include, but are not limited to, all streams, lakes, ponds, impounding reservoirs, wetlands, watercourses, waterways, wells, springs, irrigation ditches or canals, drainage systems, and all other bodies or accumulations of water, surface and underground, natural or artificial, public or private, situated wholly or partly within or bordering upon the state.

WELL when used alone in these Rules and Regulations, shall mean an oil or gas well, a hole drilled for the purpose of producing oil or gas, a well into which fluids are injected, a stratigraphic well, a gas storage well, or a well used for the purpose of monitoring or observing a reservoir.

WELL SITE shall mean the areas which are directly disturbed during the drilling and subsequent operation of, or affected by production facilities directly associated with, any oil well, gas well, or injection well.

WILDCAT (Exploratory) WELL means any well drilled beyond the known producing limits of a pool.

ZONE OF INCORPORATION shall mean the soil layer from the soil surface to a depth of twelve (12) inches below the surface.

ALL OTHER WORDS used herein shall be given their usual customary and accepted meaning, and all words of a technical nature, or peculiar to the oil and gas industry, shall be given that meaning which is generally accepted in said oil and gas industry.