

October 5, 2012

Mr. Matthew Lepore  
Colorado Oil & Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, Colorado 80203



Re: Setback Rulemaking

Dear Mr. Lepore:

Let me first express my appreciation to you and the rest of the Colorado Oil & Gas Conservation Commission for your proactive approach to ensuring that Colorado's oil and gas regulations remain up-to-date and strike the proper balance between promoting safe drilling practices and protecting human life, public welfare and the environment. At Southwestern, we believe that development of America's natural gas resources is an essential part of achieving a secure, low-carbon energy future for our country, but only if it is done right.

In reviewing the proposed setback rule changes, it was brought to my attention that a potential loophole exists in Rule 602 that could negatively impact the goal of the setback rule if it is not addressed. The problem arises from the language in Rule 602(d) that provides that: "Existing wells are exempt from the provisions of these regulations as they relate to the location of the well." While the intent of this provision is clear (i.e. wells drilled prior to the effective date of the new setback rules will not be out of compliance due to the new setbacks), the language could have unintended consequences if it is not clarified.

The "unintended consequences" I am referring to is an interpretation that the Rule 602(d) exclusionary language could permit an operator to reenter any such "existing well" and recomplete, deepen or plug back the well without complying with the new setback rule. Since there are a significant number of wells in Colorado that would qualify as "existing wells" (both active and abandoned), it would seem that clarifying language should be added to Rule 602(d) to ensure that the purpose of the setback requirement is not circumvented by an overly aggressive interpretation of Rule 602(d).

If you have any questions concerning any of the above, please feel free to contact me at 281.618.4806 or [mboling@swn.com](mailto:mboling@swn.com).

Very truly yours,

A handwritten signature in blue ink, appearing to read "Mark K. Boling". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Mark K. Boling

MKB:rks