

OPERATOR GUIDANCE

Expedited Approval of Forms 2 and 2A: Issuance With Limited Notice

Rev August 23, 2012

The Director can expedite the approval of a Form 2 or a Form 2A *when an operator encounters unexpected circumstances beyond their control* that would result in the loss of a lease or in a true economic hardship to the operator or to a drilling contractor.

To obtain the expedited approval of a Form 2 or 2A per Rule 303.I the operator must request, in writing, issuance without consultation. In the request letter the operator must explain how the situation meets the requirements of Rule 303.I.(1) or (2) and must include a sworn statement as to the accuracy of the description of the situation. The operator must also obtain and submit signed, written waivers from the surface owner and the local governmental designee (LGD) in which they waive the Rule 305.c 20 day comment period for the application/s. (Rule 303.I and Rule 305.c are reprinted at the end of this guidance document.)

Required Elements of Operator's Request Letter:

- Identification of pending application(s) for which expedited approval is being sought:
 - Legal Location: Quarter-Quarter, Section, Township, Range, County
 - Well Name & Number, Form 2 Document Number
 - Location Name & Number, Form 2A Document Number
- Description of situation: demonstrate conditions in Rule 303.I.(1) or (2) have been met
- Sworn statement as to the accuracy of the description of the situation
- Request issuance without consultation per Rule 303.I.(1) or (2)
- Reference as attached: signed Rule 305.c waivers from the surface owner and the LGD
- Attach signed Rule 305.c waivers from the surface owner and the LGD

Required Elements of Surface Owner and LGD Waiver Letters:

- Identification of pending application(s) for which expedited approval is being sought:
 - Legal Location: Quarter-Quarter, Section, Township, Range, County
 - Well Name & Number, Form 2 Document Number
 - Location Name & Number, Form 2A Document Number
- Description of situation including Rule 303.I.(1) or (2)
- Summary of Rule 305.c
- Explanation of requested waiver of Rule 305.c 20-day comment period
- Statement that operator intends to act immediately (build or modify a location; drill a well) upon the expedited approval of a Form 2 and/or Form 2A
- Signature of Surface Owner or LGD
- Attach to operator's request letter

IMPORTANT NOTE: The request letter is written to Matt Lepore, COGCC Director, but should ***not*** be sent to him. Attach letter and attached signed waivers to the Form 2 and 2A or send to the COGCC area

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Permit Tech for attachment to an already submitted, pending Form 2 and 2A. The COGCC Permit Tech will also add a comment to those forms explaining expedited approval.

RULES 303.I and 305.c

Rule 303.I provides for the approval of Form 2s and Form 2As without the Rule 305.c 20-day Comment Period:

I. Special circumstances for permit issuance without notice or consultation. The Director may issue a permit at any time in the event that an operator files a sworn statement and demonstrates therein to the Director's satisfaction that:

(1) The operator had the right or obligation under the terms of an existing contract to drill a well; and the owner or operator has a leasehold estate or a right to acquire a leasehold estate under said contract which will be terminated unless the operator is permitted to immediately commence the drilling of said well; or

(2) Due to exigent circumstances (including a recent change in geological interpretation), significant economic hardship to a drilling contractor will result or significant economic hardship to an operator in the form of drilling standby charges will result.

In the event the Director issues a permit under this rule, the operator shall not be required to meet obligations to surface owners, local governmental designees, the Colorado Department of Public Health and Environment, or the Colorado Division of Wildlife under Rule 305 (except Rules 305.e.(4) and 305.e.(6), for which compliance will still be required) and 306. The Director shall report permits granted in such manner to the Commission at regularly scheduled monthly hearings.

Rule 305.c provides for a 20-day comment period on each Form 2 and Form 2A:

c. Comment period. The Director shall not approve the Form 2A, or any associated Form 2, for twenty (20) days from posting pursuant to Rule 305.b, and shall accept and post on the Commission's website immediately upon their receipt any comments received from the public, the local governmental designee, the Colorado Department of Public Health and Environment, or the Colorado Division of Wildlife regarding the proposed oil and gas location.