

Operator Guidance: Form 2 and 2A Rejection Process

10-29-2014

SUMMARY:

Industry and the commission share a serious and valid concern about the increase in the average number of days to approve Form 2 Drilling Permits and Form 2A Location Assessments. One of the factors contributing to the increase in the COGCC's processing time is the amount of time devoted to the replacement of incorrect attachments, the addition of missing attachments, and the resulting changes in data on the applications. In order to reduce the time these problems demand from the COGCC staff, Form 2s and Form 2As with incorrect and/or missing attachments will be rejected from the "In Process" workflow. Rejected forms will need to be re-submitted after the operator has addressed the attachment issues identified by COGCC staff.

REJECTION CRITERIA:

1. A Form 2 that requires 2 or more attachments to be added or replaced will be rejected.
2. A Form 2A that requires 3 or more attachments to be added or replaced will be rejected.
3. A pad of Form 2s that requires a total of 4 or more attachments to be added or replaced (examples: one wrong attachment on the first four Form 2s or two wrong attachments on the first two Form 2s) will be rejected.

Rejection of Related Forms:

- A. When Rejection Criteria 1, 2 and 3 exist, the Form 2A and all Form 2s in the pad will be rejected.
- B. When Rejection Criteria 1 or 3 exist, all Form 2s in the pad will be rejected and the Form 2A will be placed on hold.
- C. When Rejection Criteria 2 exists, the Form 2A will be rejected and all Form 2s in the pad will be placed on hold, if applicable.
- D. Related forms that do not meet the rejection criteria will be placed *On Hold* to wait for the re-submitted applications.

PROCESS:

1. Operator submits application; form status changes from "Draft" to "Uploaded" and is ready for Completeness Review by COGCC staff.
2. Application passes the Completeness Review; form status changes from "Uploaded" to "In Process". If deficiencies are noted during this phase of review, the form is sent back to "Draft," as described in Rule 305b.(1). The existing Completeness Review process is not changed by the process described herein.

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3. COGCC staff begins Technical Review of form and attachments.
4. Staff determines that additional attachments or corrected replacement attachments are needed, and the application meets the above Rejection Criteria.
5. COGCC staff consults (via phone) the person shown as the contact name on the Form 2 or Form 2A ("Form Contact"), which may or may not be different than the person signing the form ("Signatory Contact"). The purpose of this conversation is to notify the Form Contact of a possible form rejection and to verify COGCC staff's analysis of the attachments in question. This step prevents the COGCC's rejection of a form based upon the misinterpretation of an attachment. This is not an opportunity for the operator to add an attachment or change the identified attachment(s) to avoid rejection of the form.
6. If the rejection analysis is verified, COGCC staff continues this rejection process. COGCC staff requests the name and contact information of an operator representative responsible for overall regulatory oversight ("Regulatory Contact"). This person may be the Form Contact or the Signatory Contact if those contacts have appropriate authority, or it may be a manager with higher authority to inform the operator's management of the forthcoming rejection.
7. COGCC staff consults with their supervisor and other COGCC staff with technical review responsibilities regarding rejection of the form.
8. Upon concurrence of the decision to reject the form, COGCC Supervisor notifies (via email) the Form Contact and the Regulatory Contact of the rejection decision and the Rejection Criteria.
9. COGCC staff enters a Rejection comment in the form identifying the attachment issues and documenting the formal rejection of the application.
10. The application is formally "Rejected" from the "In Process" workflow.
11. The eForm system sends the Form Contact and the Signatory Contact an automatic email notification of the application rejection; the email includes the form comment identifying the attachment issues and Rejection Criteria. The Form Rejected PDF is attached to the email.
12. The eForm system sends an automatic email notification of the application rejection (includes the comment identifying the attachment issue) to everyone assigned a task on the form - Local Government Designee, other agency representatives (CPW, CDPHE), and COGCC staff.
13. The rejected application is no longer included in the "Pending" list on the COGCC website PERMITS page. It is now included in "Removed From Processing" list.

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14. The form status changes to "Rejected" and is available for correction by the operator within the eForm system (similar to "Draft" status); the form retains the original document number.
15. The pre-application "clocks" (including Pre-Application notification) are not restarted, unless the application requires substantive changes for re-submittal. This determination will be made on a case-by-case basis, following discussion between COGCC staff and the operator.
16. All values within the form revert to the values originally submitted by the operator, except for changes made prior to passing completeness, which are saved. Any subsequent work by COGCC staff during the Technical Review and prior to rejection is not saved.
17. The rejected application has only two attachments: Form Submitted and Form Rejected. These are clearly labeled and shall not be deleted by the operator prior to re-submittal. All other attachments are removed during the rejection process, including uploaded Directional Data & Offset Well Evaluations (to avoid confusion upon re-submittal).
18. All comments are retained on the Form Rejected attachment.
19. Operator makes corrections to form as necessary, including restoration of changes and corrections made by staff and previously worked agreed to by Operator.
20. Operator attaches all required documents.
21. After making all necessary corrections and replacing all attachments, the Operator re-submits application. The form status changes from "Rejected" to "Uploaded" and is ready for Completeness Review.
22. The re-submitted form must have the Form Submitted and the Form Rejected attached. If the operator has deleted either of these attachments, the application does not pass completeness.
23. The re-submitted application passes the Completeness Review; form status changes from "Uploaded" to "In Process".
24. The eForm system sends an automatic email notification of the re-submittal of the rejected application to the Operator and to everyone assigned a task on the form - Local Government Designee, other agency representatives (CPW, CDPHE), and COGCC staff.
25. All post-submittal "clocks" start when the application passes completeness; compliance with Rule 305.c. is required for the re-submitted application.
26. The re-submitted form now has the Form Submitted, the Form Rejected and the Form Re-Submitted PDFs attached, in addition to all attachments required by Rule or Policy for the form.

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27. The re-submitted application is once again included in the "Pending" list on the COGCC website PERMITS page; the Re-submit Date is displayed below the Status Date in the table. It is no longer on the "Removed From Processing" list.
28. COGCC staff conducts Technical Review of form and attachments.
29. The form is again subject to review and comment by the LGD, CPW, CDPHE and the public.

TIPS to INDUSTRY:

- A. Keep attachment files readily available until the Form 2 or Form 2A has been approved.
- B. When a form is rejected:
 1. Review the comments on the rejected form on the Print Preview PDF (COGCC staff will provide details in a comment - just like a form returned-to-draft during completeness).
 2. Email or call COGCC staff if you have questions about the rejected form.
- C. Ask COGCC staff to review attachments before submittal or re-submittal.