

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
COLORADO STATE OFFICE
2850 YOUNGFIELD STREET
LAKEWOOD, COLORADO 80215-7093

July 27, 1999

In Reply Refer To:
3160 (CO-934) P

EMS Transmission 07/27/99
Instruction Memorandum No. CO-99-032
Expires: 09-30-2000

To: All Field Office Managers

From: Fluid Operations Team

Subject: Oil and Gas Inspection Sharing Memorandum of Understanding (MOU) between the Colorado Oil and Gas Conservation Committee (COGCC) and the Bureau of Land Management (BLM)

Attached is a final MOU which covers oil and gas inspection sharing between the COGCC and the BLM in Colorado. The MOU obtained the last approval signature on July 12, 1999, and this date will be the effective date of the MOU. Attached to the MOU is Colorado Instruction Memorandum No. CO-99-028 which transmits policy on entering onto private and State lands to perform inspections covered by this MOU.

The MOU makes use of both agencies' oil and gas inspection resources to provide inspection services to the other agency in the event the one agency cannot perform a critical, non-routine inspection due to unavailable inspection resources. Critical, non-routine inspections, such as well plugging, well drilling, and spill inspections could have dire environmental or health and safety consequences if not inspected. Thus, the MOU provides for more thorough inspection coverage for the state of Colorado resulting in better environmental, health, and safety protection without additional inspection resources.

Requested inspections are voluntarily performed and will be documented to the standards and guidelines of the requesting office and are primarily informational. In addition, a provision is made for the development of local agreements to cover routine inspections, such as production, Underground Injection Control, reclamation, and environmental inspections. The

agreement is in effect for five years and will be reviewed annually.

If you have questions implementing this MOU, please contact Pat Gallagher at 303-239-3756.

Signed by
Pat Gallagher
Fluid Operations Team

Authenticated by
Don Snow
EMS Operator

Attachment

cc: Lonny Bagley, MT-920
Rich Griebing and Brian Macke, COGCC

Attachment 1

OIL AND GAS OPERATION INSPECTION SHARING

MEMORANDUM OF UNDERSTANDING

**Between the
COLORADO OIL AND GAS CONSERVATION COMMISSION
and the
COLORADO BUREAU OF LAND MANAGEMENT**

I. PURPOSE

The Colorado Oil and Gas Conservation Commission (COGCC) and the Colorado Bureau of Land Management (BLM) have entered into this Inspection Sharing Memorandum of Understanding (MOU) to provide for more efficient and effective oil and gas operation inspection coverage on lands under the jurisdiction of both without requiring increased personnel resources.

This MOU provides for the voluntary sharing of oil and gas operations inspections by the agencies to increase inspection coverage resources.

Upon execution this MOU will replace and supersede the Inspection Sharing Cooperative Agreement between the COGCC and the BLM dated April 28, 1995.

II. OBJECTIVES

Provide more efficient and effective coverage of critical non-routine inspections by allowing both the BLM and the COGCC to perform these inspections for the other agency at the other agency's request, regardless of jurisdiction.

To implement more efficient and effective routine inspection coverage by allowing local BLM and COGCC staff to negotiate plans for sharing routine inspection work between agencies.

To facilitate non-routine drilling, plugging and spill inspections that require immediate attention and are often critical for the protection of public health, safety, welfare and the environment.

To share inspection resources to maximize the productivity of strategically positioned BLM and COGCC inspection staff in various oil and gas producing areas in Colorado.

To ensure that requests for inspection assistance by one agency for another will in no way obligate either party to provide inspection assistance. Inspections performed pursuant to such requests will be done only when the agencies are available and willing to provide the requested inspection assistance.

III. BACKGROUND

On April 28, 1995 the COGCC and the BLM signed an Inspection Sharing Cooperative Agreement (COOP) designed to exchange critical, non-routine inspections (inspections of drilling and plugging operations and spill inspections) and routine inspections (inspections on producing wells and Underground Injection Control (UIC) wells, environmental inspections, and reclamation inspections). The COOP was implemented during fiscal years 1995, 1996 and 1997.

Each agency participated in the COOP on a formal time equivalent basis. The COGCC and the BLM agree that the administrative burden of tracking times and working out equitable exchanges diminished the effectiveness of the COOP. The COGCC and the BLM recognize the need for a more simplified approach.

IV. AUTHORITIES

The BLM has authority to enter into this agreement pursuant to § 307(b) of the Federal Land Policy and Management Act (FLPMA) of 1976.

The COGCC has authority to enter into this agreement pursuant § 29-1-203 (1) and § 34-60-106 (15) of the Colorado Revised Statutes.

Authority to enter onto private and state land to inspect under this agreement is covered by Colorado BLM policy, enclosed as Exhibit A. COGCC inspectors are allowed to enter BLM

land to perform inspections to the extent necessary to perform the terms of this agreement.

V. FOR NON-ROUTINE INSPECTIONS, BLM and COGCC MUTUALLY AGREE:

If critical non-routine inspections (i.e., drilling, plugging and spill) occur on land under the jurisdiction of the BLM ("BLM lands"), and BLM inspection resources are not available, the local BLM office may request the local COGCC contact to make arrangements for the inspection.

If critical non-routine inspections occur on non-federal COGCC jurisdictional land ("COGCC lands"), and COGCC inspection resources are not available, the local COGCC office may request the local BLM contact to make arrangements for the inspection.

Any request of an agency to perform an inspection does not obligate an agency to conduct the inspection. Inspections will be performed when the contacted agency is available and willing to undertake the work.

Inspections will be performed and documented to the standards and guidelines of the requesting office. Training on the standards and guidelines will be initiated and coordinated by the requesting agency local inspection offices prior to the performance of the requested inspection. Training may include BLM Certification classes, joint inspections, or other inspection related classes or meetings.

Inspection and reporting will be primarily informational. If an agency identifies an undesirable event or an alleged violation of either agency's rules, regulations, orders, notices to lessees, or conditions of approval, the inspecting agency will notify the agency with primary jurisdiction within 24 hours for action and follow-up.

Inspection documentation will be provided to the requesting office in a timely manner.

VI. FOR ROUTINE INSPECTIONS, BLM AND COGCC MUTUALLY AGREE:

When BLM field offices or COGCC area representatives identify a need for a routine inspection (i.e., producing and UIC well inspections, environmental inspections, and reclamation inspections) that is the responsibility of the other agency, the local BLM and COGCC office will consult and have the inspections completed. The primary contact for each agency will notify each other to initiate such agreement.

VII. FOR ALL INSPECTIONS (ROUTINE AND NON-ROUTINE) PERFORMED UNDER THIS AGREEMENT BLM AND COGCC MUTUALLY AGREE:

The BLM and the COGCC will meet at least annually on or before October 1, of each year to:

1. Evaluate the success of this agreement and continue to explore other opportunities.
2. Discuss the status of work done by both parties.
3. Identify work for the next year.
4. Identify training needs.
5. Identify issues of concern and agree on actions to be taken.
6. Amend any part of this MOU, as needed.

To initiate and coordinate training by the local inspection offices. Training may include BLM Certification classes, joint inspections, or other inspection related classes or meetings.

To share current guidance and policy related to the performance of the requested inspections.

To obtain prior approval by the other agency before subcontracting any requested inspections.

To accept liability for wrongful disclosure of proprietary data and to be subject to the same provisions of law with respect to the disclosure of such information related to this MOU as would apply to any officer or employee of the United States or the State of Colorado.

To direct inspectors not to inspect the operations of those companies in which they or members of their immediate family have a direct financial interest.

To direct inspectors not to use information acquired as a result of participation in this agreement for private gain for him/herself or another person by indirect or direct action on his/her part or by counsel, recommendation or suggestion to another person.

To abide by the terms of Federal Executive Order 11246 and State of Colorado Equal Employment Opportunity requirements for nondiscrimination and will not discriminate against any person because of race, color, religion, sex, age, disability or national origin while this agreement is in effect. The agencies will ensure that applicants are employed without regard to their race, color, religion, sex, age, disability or national origin.

IIX. INSPECTION CONTACTS

Contact for inspection work is made between the appropriate local BLM offices and COGCC area representatives listed. General implementation is by the primary contacts listed.

BLM Inspection Contacts:

Terry Galloway (I&E Coordinator - San Juan Resource Area Office)
Ernie Gillingham (Natural Resource Specialist - Canon City District Office)
Will Lambert (Engineer - Grand Junction Resource Area Office)

Mike Lystad (I&E Coordinator - White River Resource Area Office)
Jim Wood (Petroleum Engineering Technician - Little Snake Resource Area Office)
Pat Gallagher (State I&E Coordinator - Primary Contact)

COGCC Inspection Contacts:

Jamie Adkins (Northwest Area Engineer)
Jay Krabacher (Northwest Area Inspector)
Ed Binkley (Northeast Area Inspector)
Linda Pavelka (Weld County Inspector)
Larry Robbins (South Area Engineer)
Dave Shelton (North Area Engineer)
Bob VanSickle (Southeast Area Inspector)
Mark Weems (Southwest Area Inspector)
Ed Dimatteo (Engineering Supervisor - Primary Contact)

IX. TERM OF THIS AGREEMENT

This agreement shall be effective from the date of execution and shall remain in full force and effect for five years unless sooner terminated by 90-day written notice from either party to the other party. This agreement may be modified, extended or amended upon written request of either party and written concurrence of the other party.

X. APPROVAL

Ann Morgan Date
State Director, BLM-Colorado

Allan Heinle Date
Chairman, Colorado Oil and Gas Conservation Commission

Richard Griebing Date
Director, Colorado Oil and Gas Conservation Commission

Attachment 2

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Colorado State Office
2850 Youngfield Office
Lakewood, Colorado 80215-7093
June 29, 1999

In Reply Refer To:
3160 (CO-934) P

EMS Transmission 06/29/99
Instruction Memorandum No. CO-99-028
Expires: 09/30/00

To: All Field Office Managers

From: State Director, Colorado

Subject: Inspection of Private and State Lands - Memorandum of Understanding (MOU)
Between the Colorado Oil and Gas Conservation Commission (COGCC) and Bureau of Land
Management (BLM)

BLM employees are authorized to enter onto private and state land and use federal owned equipment to perform inspections on private and state land to fulfill an Inspection MOU between the COGCC and the BLM. The effective and termination dates of this policy will be coincident with that of the MOU. The MOU will follow under separate cover.

If you have any questions, please contact Pat Gallagher at extension 3756.

Signed by
Stuart Cox
Acting State Director

Authenticated by
Don Snow
EMS Operator

cc: Rich Griebing and Brian Macke (COGCC)