



Administration of Oil and Gas Wells in Colorado: Permitting and SWSP's

Kevin Rein, P.E.

Colorado Division of Water Resources

Historic Administration

Well Permitting

- Oil and gas wells have historically produced water without administration – well permit or augmentation plan – by the State Engineer.
- *Vance* decision
- Oil and gas wells are currently allowed to operate without a well permit and without a plan of augmentation or a substitute water supply plan (“SWSP”) pursuant to Section 37-90-138(2) (statutory timeout, HB-1303).

Upcoming Administration

Beneficial Use ?		
	Tributary	Nontributary
CBM	Permit ?	Permit ?
	Replace ?	Replace ?
Non-CBM	Permit ?	Permit ?
	Replace ?	Replace ?

Upcoming Administration

Coal Bed Methane (“CBM”) Wells

- Well Permitting
 - Wells that produce ground water through the CBM extraction process are ***putting the water to beneficial use.***
 - Permit is required:
 - If nontributary ground water (37-90-137(7));
and
 - If tributary ground water (37-90-137(2)).

Upcoming Administration continued...

CBM Wells

- Replacement Requirements
 - If nontributary, not subject to administration in the prior appropriation system; may operate without a plan of augmentation or SWSP.
 - If tributary, and impacts an over-appropriated stream:
 - Water court-approved plan of augmentation; or
 - SWSP approved pursuant to 37-92-308(4), 37-92-308(5), or 37-92-308(11).

Upcoming Administration continued. . .

Non CBM Wells

- Well Permitting
 - Non-CBM wells that **put** ground water to a **beneficial** use require well permits:
 - If nontributary ground water (37-90-137(7)); and
 - If tributary ground water (37-90-137(2)).
 - Non-CBM wells that produce nontributary ground water, but **do not beneficially use** the water, require no well permit.

Upcoming Administration continued. . .

Non-CBM Wells

- Replacement Requirements
 - Like CBM wells, a non-CBM well that produces nontributary ground water is not subject to administration in the prior appropriation system (no plan of augmentation, no SWSP).
 - If, however, a non-CBM well produces tributary ground water that impacts an over-appropriated stream, the well must operate only according to a water court-approved plan of augmentation or a SWSP approved pursuant to 37-92-308(4) or 37-92-308(5).

Upcoming Administration continued. . .

- A. **All CBM wells**, tributary and nontributary, will **require a well permit** by virtue of the well's application of the water to beneficial use through the CBM extraction process.

- B. **All oil and gas wells**, CBM and non-CBM, that produce ground water that is **tributary to an overappropriated stream** are **subject to administration** by the State Engineer based on the fact that according to *Bijou* all depletions in an overappropriated system are presumed to be injurious.

- C. **Non-CBM** wells that produce **nontributary ground water**, but do **not** put the ground water to **beneficial use** beyond the original withdrawal of the water **do not require well permits**, **nor** do they require **administration** in the prior appropriation system.

Upcoming Administration continued. . .

- D. **Non-CBM** wells that produce **tributary ground water**, but do **not** put the ground water to **beneficial use** beyond the original withdrawal of the water **do not require well permits**.

- E. **All oil and gas** wells that produce ground water and put the ground water to **beneficial use** beyond the original withdrawal of the water **require well permits**.

- F. **Oil and gas** wells that produce **nontributary ground water** are **not subject to administration** within the prior appropriation system and do **not require substitute water supply plans or augmentation plans**.

Upcoming Administration continued. . .

No Beneficial Use		
	Tributary	Nontributary
CBM	Permit?: Yes (A)	Permit?: Yes (A)
	Replace depletions ¹ ?: Yes (B)	Replace required?: No (F)
Non-CBM	Permit?: No (D)	Permit?: No (C)
	Replace depletions ¹ ?: Yes (B)	Replace required?: No (C,F)

1. For depletions that impact an over-appropriated stream. No replacement is required for depletions that impact a stream that is not over-appropriated.

Upcoming Administration continued. . .

Beneficial Use		
	Tributary	Nontributary
CBM	Permit?: Yes (A,E)	Permit?: Yes (A, E)
	Replace depletions ¹ ?: Yes (B)	Replace required?: No (F)
Non-CBM	Permit?: Yes (E)	Permit?: Yes (E)
	Replace depletions ¹ ?: Yes (B)	Replace required?: No (F)

1. For depletions that impact an over-appropriated stream. No replacement is required for depletions that impact a stream that is not over-appropriated.

Status

Number of Wells for Consideration

- Rulemaking has potential to remove a large portion of the wells from consideration for administration and/or permitting.
- Several thousand wells remain subject to permit requirements.
- SWSP applications will be submitted for tributary wells.

Status continued. . .

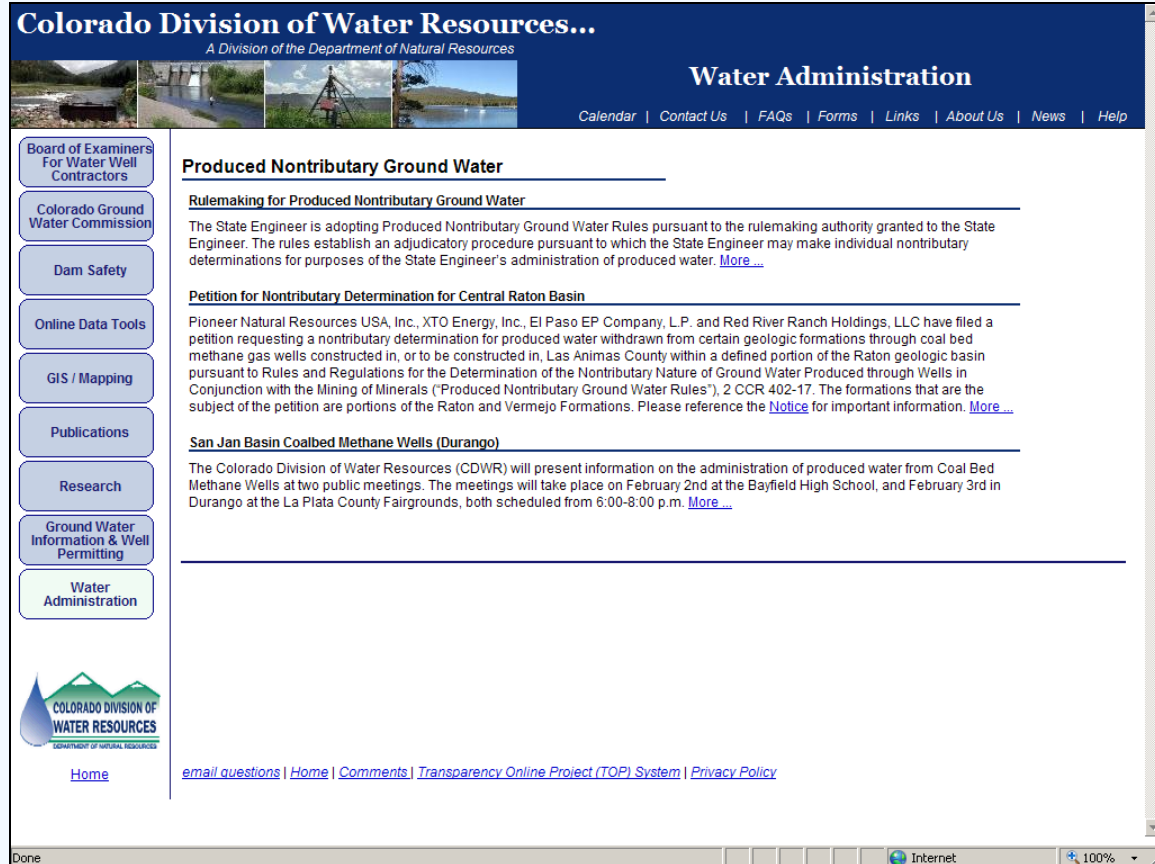
SEO is taking steps to prepare

- Conducting meetings with operators/applicants:
 - Review upcoming SWSP submittals;
 - Discuss permit application process and timing.
- Finalizing spreadsheet for electronic submittal.
- IT Department is enhancing the well permit evaluation tool for automated processing.
- Guidance memo will continue to be distributed.

Additional information

Division of Water Resources website:

<http://www.water.state.co.us/wateradmin/NontribGwCont.asp>



Colorado Division of Water Resources...
A Division of the Department of Natural Resources

Water Administration

[Calendar](#) | [Contact Us](#) | [FAQs](#) | [Forms](#) | [Links](#) | [About Us](#) | [News](#) | [Help](#)

[Board of Examiners For Water Well Contractors](#)

[Colorado Ground Water Commission](#)

[Dam Safety](#)

[Online Data Tools](#)

[GIS / Mapping](#)

[Publications](#)

[Research](#)

[Ground Water Information & Well Permitting](#)

[Water Administration](#)

Produced Nontributary Ground Water

Rulemaking for Produced Nontributary Ground Water


The State Engineer is adopting Produced Nontributary Ground Water Rules pursuant to the rulemaking authority granted to the State Engineer. The rules establish an adjudicatory procedure pursuant to which the State Engineer may make individual nontributary determinations for purposes of the State Engineer's administration of produced water. [More...](#)

Petition for Nontributary Determination for Central Raton Basin

Pioneer Natural Resources USA, Inc., XTO Energy, Inc., El Paso EP Company, L.P. and Red River Ranch Holdings, LLC have filed a petition requesting a nontributary determination for produced water withdrawn from certain geologic formations through coal bed methane gas wells constructed in, or to be constructed in, Las Animas County within a defined portion of the Raton geologic basin pursuant to Rules and Regulations for the Determination of the Nontributary Nature of Ground Water Produced through Wells in Conjunction with the Mining of Minerals ("Produced Nontributary Ground Water Rules"), 2 CCR 402-17. The formations that are the subject of the petition are portions of the Raton and Vermejo Formations. Please reference the [Notice](#) for important information. [More...](#)

San Jan Basin Coalbed Methane Wells (Durango)

The Colorado Division of Water Resources (CDWR) will present information on the administration of produced water from Coal Bed Methane Wells at two public meetings. The meetings will take place on February 2nd at the Bayfield High School, and February 3rd in Durango at the La Plata County Fairgrounds, both scheduled from 6:00-8:00 p.m. [More...](#)


COLORADO DIVISION OF WATER RESOURCES
DEPARTMENT OF NATURAL RESOURCES

[Home](#) | [email questions](#) | [Home](#) | [Comments](#) | [Transparency Online Project \(TOP\) System](#) | [Privacy Policy](#)

Done Internet 100%