

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF CHANGES TO THE RULES AND) CAUSE NO. 1R
REGULATIONS OF THE OIL AND GAS CONSERVATION)
COMMISSION OF THE STATE OF COLORADO) ORDER NO. 1R-98

REPORT OF THE COMMISSION

Pursuant to a hearing before the Oil and Gas Conservation Commission on October 31, 2005, in the Aspen and Birch Rooms at the Ramada Inn, 124 W. 6th Street, Glenwood Springs, Colorado, the Oil and Gas Conservation Commission promulgated amendments to its Rules and Regulations as described below:

DEFINITIONS
(100 SERIES)

GATHERING LINE(S) shall mean a pipeline which transports natural gas beyond leasehold gas metering equipment to a compressor facility, processing plant or interstate pipeline connection.

PIPELINE(S) shall mean flowline(s) and gathering line(s) as defined herein by the 100 series definitions.

PIPELINE REGULATIONS

1101. INSTALLATION AND RECLAMATION

a. **Notice.** As of June 1, 2006, an operator of a gathering line which has segments subject to safety regulation by the Office of Pipeline Safety, U.S. Department of Transportation, shall notify the Commission thirty (30) days in advance of construction by filing a plan of construction in a format acceptable to the Director. Such plan shall also be provided to each local governmental designee or local government jurisdiction traversed by such gathering line. The plan shall include the general design, construction schedule and route, including a map showing all crossings of public by-ways and natural and manmade watercourses.

b. Material.

(1) Materials for pipe and other components of pipelines shall be:

A. Able to maintain the structural integrity of the pipeline under temperature, pressure, and other conditions that may be anticipated;

B. Compatible with the substances to be transported.

C. Locatable by a tracer line or location device placed adjacent to or in the trench of all buried nonmetallic pipelines to facilitate the location of such pipelines.

c. **Design.** Each component of a pipeline shall be designed and installed to prevent failure from corrosion and to withstand anticipated operating pressures and other loadings without impairment of its serviceability. The pipe shall have sufficient wall thickness or be installed with adequate protection to withstand anticipated external pressures and loads that will be imposed on the pipe after installation.

d. Cover.

(1) All installed pipelines shall have cover sufficient to protect them from damage. On crop land, all pipelines shall have a minimum cover of three (3) feet.

(2) Where an underground structure, geologic, economic or other uncontrollable condition prevent pipelines from being installed with minimum cover, or when there is a written agreement between the surface owner and the operator, the line may be installed with less than minimum cover or above ground.

e. Excavation, backfill and reclamation.

(1) When pipelines cross crop lands, unless waived by the surface owner, the operator shall segregate topsoil while trenching, and trenches shall be backfilled so that the soils shall be returned to their original relative positions and contour. This requirement to segregate and backfill topsoil shall not apply to trenches which are twelve (12) inches or less in width. Reasonable efforts shall be made to run pipelines parallel to crop irrigation rows on flood irrigated land.

(2) On crop lands and non-crop lands, pipeline trenches shall be maintained in order to correct subsidence and reasonably minimize erosion. Interim and final reclamation, including revegetation, shall be performed in accordance with the applicable 1000 Series rules.

f. Pressure testing of flowlines.

(1) Before operating a segment of flowline it shall be tested to maximum anticipated operating pressure. In conducting tests, each operator shall ensure that reasonable precautions are taken to protect its employees and the general public. The testing may be conducted using well head pressure sources and well bore fluids, including natural gas. Such pressure tests shall be repeated once each calendar year to maximum anticipated operating pressure, and operators shall maintain records of such testing for Commission inspection for at least three (3) years.

(2) Flowline segments operating at less than fifteen (15) psig are excepted from pressure testing requirements.

1102. OPERATIONS, MAINTENANCE, AND REPAIR

a. Maintenance.

(1) Each operator shall take reasonable precautions to prevent failures, leakage and corrosion of pipelines.

(2) Whenever an operator discovers any condition that could adversely affect the safe and proper operation of its pipeline, it shall correct it within a reasonable time. However, if the condition is of such a nature that it presents an immediate hazard to persons or property, the operator shall not operate the affected part of the system until it has corrected the unsafe condition.

b. Repair.

(1) Each operator shall, in repairing its pipelines, ensure that the repairs are made in a safe manner and are made so as to prevent injury to persons and damage to property.

(2) No operator shall use any pipe, valve, or fitting in repairing pipeline facilities unless the components meet the installation requirements of this section.

c. Marking.

(1) In designated high density areas, and where crossing public rights-of-way or utility easement, a marker shall be installed and maintained to identify the location of pipelines.

(2) The following shall be written legibly on a background of sharply contrasting color on each line marker:

"Warning", "Caution" or "Danger" followed by the words "gas (or name of natural gas or petroleum transported) pipeline" in letters at least one (1) inch high with one-quarter ($\frac{1}{4}$) inch stroke and the name of the operator and the telephone number where the operator can be reached at all times.

d. One Call participation. As to any pipelines over which the Commission has jurisdiction, each operator shall participate in Colorado's One Call notification system, the requirements of which are established by §9-1.5-101., C.R.S. et seq.

e. Emergency response. As to gathering lines with segments subject to safety regulation by the Office of Pipeline Safety, U.S. Department of Transportation, the operator shall prepare and submit an emergency response plan to the Commission and to the county sheriff and each local government jurisdiction traversed by such pipeline segment.

1103. ABANDONMENT

Each pipeline abandoned in place shall be disconnected from all sources and supplies of natural gas and petroleum, purged of liquid hydrocarbons, depleted to atmospheric pressure, and cut off three (3) feet below ground surface, or the depth of the pipeline, whichever is less and sealed at the ends. This requirement shall also apply to compressor or gas plant feeder pipelines upon decommissioning or closure of a portion or all of


a compressor station or gas plant. Notice of such abandonment shall be filed with the Commission and with the local governmental designee or local government jurisdiction.

Attached, as Exhibit A, is a statement giving the basis and purpose of the revisions and such statements are incorporated herein by reference.

DONE AND PERFORMED by the Oil and Gas Conservation Commission of the State of Colorado this 31st day of October, 2005.

IN THE NAME OF THE COLORADO
OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By


Patricia C. Beaver, Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
October 31, 2005

Exhibit A
Statement of Basis and Purpose

This statement sets forth the basis, specific authority, and purpose for the amendments to the 100 and 1100 Series of the Rules and Regulations promulgated by the Colorado Oil and Gas Conservation Commission. This statement is hereby incorporated by reference in the Rules adopted.

A. AUTHORITY

These rules, as amended, are adopted by the Colorado Oil and Gas Conservation Commission under the provision of Title 34, Article 60 of the Colorado Revised Statutes, as amended.

§34-60-102., C.R.S. as amended, declares that it is in the public interest to foster, encourage, and promote the development, production, and utilization of the natural resources of the oil and gas in the state of Colorado in a manner consistent with protection of public health, safety, and welfare.

§34-60-103.(6.5), C.R.S. defined "Oil and gas operations" to mean exploration for oil and gas, including the conduct of seismic operations and the drilling of test bores; the siting, drilling, deepening, recompletion, reworking, or abandonment of an oil and gas well, underground injection well, or gas storage well; production operations related to any such well including the installation of flowlines and gathering systems; the generation, transportation, storage, treatment, or disposal of exploration and production wastes; and any construction, site preparation, or reclamation activities associated with such operations.

§34-60-105 (1), C.R.S., provides that "The commission has jurisdiction over all persons and property, public and private, necessary to enforce the provisions of this article, and has the power to make and enforce rules, regulations, and orders pursuant to this article, and to do whatever may reasonably be necessary to carry out the provisions of this article. ..."

§34-60-106 (2)(a), C.R.S., provides that the commission has the authority to regulate "[t]he drilling, producing and plugging of wells and all other operations for the production of oil or gas; . . ."

§34-60-106 (2)(d), C.R.S., gives the commission authority to regulate "[o]il and gas operations so as to prevent and mitigate significant adverse environmental impacts on any air, water, soil or biological resource to the extent necessary to protect public health, safety, and welfare, in consideration of cost-effectiveness and technical feasibility."

§34-60-106 (11), C.R.S., mandates the commission to "promulgate rules and regulations to protect the health, safety and welfare of the general public in the conduct of oil and gas operations."

100 Series

The 100 Series of the Rules and Regulations of the Oil and Gas Conservation Commission pertain to definitions.

Add new definitions for gathering line and pipeline.

1100 Series

The 1100 Series of the Rules and Regulations of the Oil and Gas Conservation Commission pertain to pipelines.

Amend the installation standards pertaining to flowlines to include gathering lines.

Add a requirement to provide prior notice to local and state governments of plans to construct gathering lines regulated by the Office of Pipeline Safety, U.S. Department of Transportation.