



Suite 801, The Chancery Building
1120 Lincoln Street
Denver, Colorado 80203

Monday, June 6, 2005

- ⌚9:00 a.m. Roll Call of Commissioners
- Approval of Proceedings
- ⌚9:05 a.m. Report from the Executive Director's Office
- ⌚9:15 a.m. Report from the Director - Written report provided
- ⌚10:00 a.m. Report from the Assistant Attorney General
- ⌚10:15 a.m. Commissioner Comments
- ⌚10:30 a.m. Audience Comments
- ⌚10:45 a.m. Consent Agenda
- ⌚11:00 a.m. Update on Proposed Surveying Rules – Thom Kerr and David Dillon

CONSENT AGENDA
April 25, 2005

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No protests/interventions were received on the matters listed below and administrative hearings were held for these matters. Appropriate testimony accompanied by required exhibits was presented to the Hearing Officers in support of the applications. The Hearing Officer recommendations were provided and exhibits are available upon request. The Applicants agreed to be bound by oral Order of the Commission.

Cause No. 112, Docket No. 0506-EX-02, Ignacio-Blanco Field, Archuleta County

Applicant: Energen Resources Corp.
Attorney: Michael J. Wozniak

Subject: Request for an order allowing an exception to the 130' interior line setback established in Order No. 112-60 for the Jaramillo 32-6 #12-1 Well and the Jaramillo 32-6 #12-2 Well located in the N½ of Section 12, Township 32 North, Range 6 West, N.M.P.M., for the production of gas and associated hydrocarbons from the Fruitland Coal Seam Formation.

Hearing
Officers: David Dillon/Tricia Beaver

Comments: Heard by Hearing Officers who recommend approval.

Cause No. 112, Docket No. 0506-AW-10, Ignacio-Blanco Field, Archuleta County

Applicant: Energen Resources Corp.
Attorney: Michael J. Wozniak

Subject: Request for an order to increase the number of wells allowed to a total of 3 wells in the 320-acre drilling and spacing unit consisting of the N½ of Section 13, Township 32 North, Range 6 West, N.M.P.M., for the production of gas and associated hydrocarbons from the Fruitland Coal Seam Formation.

Hearing
Officers: David Dillon/Tricia Beaver
Comments: Heard by Hearing Officers who recommend approval.

Cause No. 526, Docket No. 0506-SP-09, Rush Willadel Field, Washington County

Applicant: Merit Energy Co.
Attorney: Keith M. Crouch

Subject: Request for an order to establish four 160-acre drilling and spacing units in Section 26, Township 3 South, Range 51 West, 6th P.M., and to allow proposed wells to be drilled at exception locations to Rule 318.a., for the production of gas and associated hydrocarbons from the Dakota, "J" Sand, Codell, Niobrara and Sussex Formations.

Hearing
Officers: Tricia Beaver/David Shelton

Comments: Heard by Hearing Officers who recommend approval.

Cause No. 407, Docket No. 0506-UP-04, Wattenberg Field, Weld County

Applicant: Mineral Resources, Inc.
Attorney: Keith M. Crouch

Subject: Request for an order to establish 160-acre drilling and spacing units consisting of the SW¼ of Section 16 and the SE¼ of Section 17 of Township 5 North, Range 65 West, 6th P.M., and to pool all non-consenting owners in the two 160-acre drilling and spacing units, for the production of gas and associated hydrocarbons from the Dakota, "J" Sand, Codell, Niobrara and Sussex Formations.

Hearing
Officers: Tricia Beaver/David Shelton

Comments: Heard by Hearing Officers who recommend approval.

Cause No. 139, Docket No. 0506-SP-08, Rulison Field, Garfield County

Applicant: Petrogulf Corp.
Attorney: William A. Keefe

Subject: Request for an order to establish 640-acre drilling and spacing units for certain lands and to allow the equivalent of one well per 10 acres within said units and upon existing 320-acre drilling and spacing units, with the permitted well to be located no closer than 100 feet from the boundaries of the drilling and spacing unit, for various sections in Township 6 South, Range 93 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Intervenor: Board of County Commissioners of Garfield County
Attorney: Don DeFord

Protestant: EnCana Oil and Gas (USA), Inc.
Attorney: Erika Enger

Hearing
Officers: David Dillon/Tricia Beaver

Comments: Prehearing conference held. Intervention withdrawn and protest withdrawn. Heard by Hearing Officers who recommend approval.

Cause Nos. 232 & 499, Docket No. 0506-SP-06, Wattenberg Field, Weld County

Applicant: United States Exploration, Inc.
Attorney: J. Michael Morgan

Subject: Request for an order to segregate the 320-acre drilling and spacing unit consisting of the N½ of Section 9, Township 5 North, Range 67 West, 6th P.M., into two 160-acre drilling and spacing units consisting of the NE¼ and the NW¼, for the production of gas and associated hydrocarbons from the Dakota and "J" Sand Formations.

Hearing
Officers: David Shelton/Tricia Beaver

Comments: Heard by Hearing Officers who recommend approval.

Cause Nos. 232 & 499, Docket No. 0506-SP-07, Wattenberg Field, Adams County

Applicant: United States Exploration, Inc.
Attorney: J. Michael Morgan

Subject: Request for an order to segregate the 320-acre drilling and spacing unit consisting of the E½ of Section 3, Township 2 South, Range 65 West, 6th P.M., into two 160-acre drilling and spacing units consisting of the NE¼ and the SE¼, for the production of gas and associated hydrocarbons from the Dakota and "J" Sand Formations.

Hearing
Officers: David Shelton/Tricia Beaver

Comments: Heard by Hearing Officers who recommend approval.

Administrative Orders by Consent

The following Administrative Orders by Consent were accepted and agreed to:

Cause No. 1V, Docket No. 0506-OV-03, Adams County

Staff Recommendation

Subject: Request for an Administrative Order by Consent finding Setex Oil and Gas Company in violation of Rules 319.b. (3) and 326.b. (1), failure to obtain Director approval for continuing shut-in status and failure to perform a mechanical integrity test within thirty (30) days of removing the surface production equipment from the (UPRR) Vetter # 21-31 Well located in the NE¼ NW¼ of Section 31, Township 1 South, Range 64 West, 6th P.M.

Cause No. 1V, Docket No. 0506-OV-04, Weld County

Staff Recommendation

Subject: Request for an Administrative Order by Consent finding Bonanza Creek Oil Company in violation of Rule 317.i. and Form 2 Permit Conditions of Approval, failure to provide 200' of 800 psi compressive strength cement above the Niobrara Formation for the Siebring #32-32 and #42-32 Wells located in the SW¼ SW¼ and the SE¼ NE¼ of Section 32, Township 5 North, Range 63 West, 6th P.M.

Cause No. 1V, Docket No. 0506-OV-05, Washington County
Staff Recommendation

Subject: Request for an Administrative Order by Consent finding Delta Petroleum Corporation in violation of Rules 704., 907.a., 907.b., 907.c. and 908., failure of operating a centralized E&P waste management facility without the required financial assurance, failure to ensure that E&P waste is properly stored, handled, transported, treated, recycled or disposed to prevent threatened or actual significant adverse environmental impacts, off-site disposal of E&P waste at a facility not authorized by the COGCC, disposing of produced water in an unauthorized manner and operating a centralized E&P waste management facility without COGCC approval for the Church #4 Well located in the NW¼ NE¼ of Section 25, Township 3 South, Range 51 West, 6th P.M.