



FINAL HEARING AGENDA

Council Chamber
Ambulance Building
304 W. 3rd Street
Wray, Colorado 80758

Monday, June 5, 2006

- ⌚ 10:00 a.m. Roll Call of Commissioners
- Approval of Proceedings
- ⌚ 10:05 a.m. Report from the Executive Director's Office
- ⌚ 10:20 a.m. Report from the Director - Written report provided
- ⌚ 11:00 a.m. Report from the Assistant Attorney General
- ⌚ 11:15 a.m. Commissioner Comments
- ⌚ 11:30 a.m. Audience Comments
- ⌚ 12:00 p.m. Consent Agenda
 - 12 Administrative Hearing items
 - 2 Hearing Officer recommendations under Rule 511.b.
 - 2 Administrative Orders by Consent

Cause No. 166, Docket No. 0606-SP-29, Plateau Field, Garfield County

Applicant: EnCana Oil & Gas (USA) Inc.
Attorney: Erika Z. Enger

Subject: Request for an order to establish 40-acre drilling and spacing and allow increased density of up to two (2) wells, for certain lands in Township 8 South, Range 96 West, 6th P.M., with the permitted well to be located no closer than 200 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Comments: Continued to the July hearing.

Cause No. 407, Docket No. 0603-SP-15, Wattenberg Field, Weld County

Applicant: Great Western Oil & Gas Company
Attorney: J. Michael Morgan

Subject: Request for an order to establish a 160-acre drilling and spacing unit consisting of the SE¹/₄ of Section 26, Township 6 North, Range 67 West, 6th P.M., and to pool all non-consenting interests in said unit for the drilling of

the Merchon 26-54 Well, for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations.

Protestant: Noble Energy
Attorney: Michael J. Wozniak

Comments: Continued to the July hearing.

🕒 1:15 p.m. Cause No. 1R, Docket No. 0606-RM-01, Yuma/Phillips Counties

Applicant: Berry Petroleum Company
Attorney: Randall M. Case

Subject: Request to amend Rule 318B. to include additional lands and modify setbacks to 300 feet from lease lines or unit boundaries, for the production of gas and associated hydrocarbons from the Niobrara Formations. Request to adopt the statement of basis and purpose.

Comments: Proposed Rule has been amended to reduce the lands subject to the revised rule and to provide an additional setback from existing wells.

CONSENT AGENDA

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No protests/interventions were received or protests were resolved 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. Written 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. 191, Docket No. 0606-SP-25, Mamm Creek Field, Garfield County

Applicant: Dolphin Energy Corporation
Attorney: Stephen J. Sullivan

Subject: Request for an order to establish 320-acre drilling and spacing units in Sections 30 and 31, Township 5 South, Range 92 West, 6th P.M. and in the N½ of Section 3, Township 6 South, Range 93 West, 6th P.M., and to allow the equivalent of one (1) well per 10 acres, with the permitted well to be located no closer than 100 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Hearing Officer: Tricia Beaver/David Shelton

Comments: Heard by Hearing Officers who recommend approval.

Cause No. 517, Docket No. 0606-SP-27, Wildcat Field, Moffat County

Applicant: CDX LLC.
Attorney: Michael J. Wozniak

Subject: Request for an order to vacate Order No. 1-220 which established a 1,122-acre exploratory unit for certain lands in Townships 7 and 8 North, Range 94 West, 6th P.M. which are now included in the Sugarloaf Federal Unit., for the production of gas and associated hydrocarbons from the Williams Fork Coal Seam.

Hearing Officer: Tricia Beaver/David Shelton

Comments: Heard by Hearing Officers who recommend approval.

Cause No. 517, Docket No. 0606-SP-23, Huerfano/Las Animas Counties

Applicant: Cedar Ridge LLC.
Attorney: Michael J. Wozniak

Subject: Request for an order to vacate Order No. 517-3 which established 160-acre drilling and spacing units for certain lands in Townships 30 and 31 South, Range 65 West, 6th P.M., Townships 29 through 31 South, Range 66 West, 6th P.M., and Township 31 South, Range 67 West, 6th P.M., for the production of gas and associated hydrocarbons from the Raton an Vermejo Coal Seam.

Hearing Officer: Tricia Beaver/David Dillon

Comments: Heard by Hearing Officers who recommend approval.

Cause No. 139, Docket No. 0606-SP-28, Rulison Field, Garfield County

Applicant: EnCana Oil & Gas (USA) Inc.
Attorney: Erika Z. Enger

Subject: Request for an order to establish 40-acre drilling and spacing and allow increased density of up to two (2) wells, for certain lands in Township 8 South, Range 96 West, 6th P.M., with the permitted well to be located no closer than 200 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Iles Formation.

Hearing Officer: Tricia Beaver/David Dillon

Comments: Heard by Hearing Officers who recommend approval.

Cause No. 143, Docket No. 0606-SP-31, Divide Creek Field, Garfield/Mesa Counties

Applicant: Windsor Energy Group
Attorney: William A. Keefe

Subject: Request for an order to vacate certain lands in Township 7 South, Range 91 West, 6th P.M. from the provisions of Cause No. 143 and place the lands under the Rules and Regulations of the Commission, for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Hearing Officers: David Shelton/Tricia Beaver

Comments: Heard by Hearing Officers who recommend approval.

Cause No. 440, Docket No. 0606-EX-06, Grand Valley Field, Garfield County

Applicant: Williams Production RMT Company

Attorney: William A. Keefe

Subject: Request for an order allowing an exception location to Order No. 440-23, for the downhole location of the GM-243-1 Well located in the N $\frac{1}{2}$ of Section 1, Township 7 South, Range 96 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Hearing Officers: David Shelton/Tricia Beaver

Comments: Heard by Hearing Officers who recommend approval.

Cause No. 139, Docket No. 0606-SP-30, Rulison Field, Garfield County

Applicant: Williams Production RMT Company

Attorney: William A. Keefe

Subject: Request for an order to vacate the SW $\frac{1}{4}$ and S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 5, Township 7 South, Range 94 West, 6th P.M. from the provisions of Cause No. 139 and place the lands under the Rules and Regulations of the Commission, and to establish the remaining lands in Section 5 as a 386.52-acre drilling and spacing unit, for the production of gas and associated hydrocarbons from the Mesaverde Group.

Hearing Officers: David Shelton/Tricia Beaver

Comments: Heard by Hearing Officers who recommend approval.

Cause No. 191, Docket No. 0606-SP-32, Mamm Creek Field, Garfield County

Applicant: Antero Resources Company

Attorney: William A. Keefe

Subject: Request for an order to establish various 320-acre, 160-acre, 80-acre and 40-acre drilling and spacing units for certain lands in Townships 5 and 6 South, Range 92 West, 6th P.M and Township 6 South, Range 93 West, 6th P.M., and to allow the equivalent of one (1) well per 10

acres, with the permitted well to be located no closer than 100 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Iles Formation.

Hearing Officers: David Shelton/Tricia Beaver

Comments: Heard by Hearing Officers who recommend approval.

Cause Nos. 429, Docket No. 0606-AW-08, Brush Creek Field, Mesa County

Applicant: Laramie Energy, LLC.
Attorney: William G. Odell

Subject: Request for an order to allow up to four (4) wells in each 160-acre drilling and spacing unit for certain lands in Townships 9 and 10 South, Ranges 94 and 95 West, 6th P.M., with the permitted well to be located no closer than 100 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Mesaverde Group.

Protestant: EnCana Oil & Gas (USA) Inc.
Attorney: Michael J. Wozniak

Hearing Officers: David Dillon/Tricia Beaver

Comments: Application amended to remove certain lands and protest withdrawn. Heard by Hearing Officers who recommend approval.

Cause Nos. 166, Docket No. 0606-AW-07, Plateau Field, Mesa County

Applicant: Laramie Energy, LLC.
Attorney: William G. Odell

Subject: Request for an order to allow up to four (4) wells in each 160-acre drilling and spacing unit for certain lands in Townships 9 and 10 South, Ranges 94 and 95 West, 6th P.M., with the permitted well to be located no closer than 100 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Mesaverde Group.

Protestant: EnCana Oil & Gas (USA) Inc.
Attorney: Michael J. Wozniak

Hearing Officers: David Dillon/Tricia Beaver

Comments: Application amended to remove certain lands and protest withdrawn. Heard by Hearing Officers who recommend approval.

Cause Nos. 371, Docket No. 0606-SP-24, Buzzard Creek Field, Mesa County

Applicant: Laramie Energy, LLC.
Attorney: William G. Odell

Subject: Request for an order to vacate certain lands in Township 9 South, Range 94 West, 6th P.M. from the provisions of Cause No. 371, place the lands under the Rules and Regulations of the Commission, and allow 10-acre density, for the production of gas and associated hydrocarbons from the Mesaverde Group.

Protestant: EnCana Oil & Gas (USA) Inc.
Attorney: Michael J. Wozniak

Hearing Officers: David Dillon/Tricia Beaver

Comments: Application amended to remove certain lands and protest withdrawn. Heard by Hearing Officers who recommend approval.

Cause No. 281, Docket No. 0606-SP-22, Bracewell Field, Weld County

Applicant: Orr Energy, LLC
Attorney: J. Michael Morgan

Subject: Request for an order to vacate certain lands in Township 6 South, Range 66 West, 6th P.M. from the provisions of Order No. 381-5, to establish 40-acre drilling and spacing units, and allow 10-acre density, for the production of gas and associated hydrocarbons from the Mesaverde Group.

Hearing Officers: David Dillon/Tricia Beaver

Comments: Heard by Hearing Officers who recommend approval.

RULE 511.b. RECOMMENDATIONS

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No protests/interventions were received on the matters listed below and upon requests made by the applicants to approve the applications based on the merits of the verified applications and the supporting exhibits, the Hearing Officers recommend approval. In addition, testimony and exhibits were presented to the Hearing Officers during the April administrative hearings by these applicants covering nearby and adjacent lands to these application lands.

Cause Nos. 139 & 440, Docket No. 0606-SP-21, Wildcat, Garfield/Mesa Counties

Applicant: Noble Energy Inc.
Attorney: Gregory R. Danielson

Subject: Request for an order to establish 40-acre drilling and spacing units and allow increased density of up to four (4) wells, for certain lands in Townships 7 and 8 South, Range 95 West, 6th P.M., with the permitted well to be located no closer than 100 feet from the unit boundary, for the production of gas and associated hydrocarbons

from the Williams Fork and Iles Formations.

Hearing Officers: Tricia Beaver/David Shelton

Comments: Heard by Hearing Officers who recommend approval.

Cause No. 191, Docket No. 0606-SP-26, Mamm Creek Field, Garfield County

Applicant: Antero Resources Company

Attorney: William A. Keefe

Subject: Request for an order to establish a 160-acre drilling and spacing unit for the SW $\frac{1}{4}$ and 40-acre drilling and spacing units for the NW $\frac{1}{4}$ SE $\frac{1}{4}$ and the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 16, Township 6 South, Range 92 West, 6th P.M., and to allow the equivalent of one (1) well per 10 acres, with the permitted well to be located no closer than 100 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Hearing Officers: Tricia Beaver/David Dillon

Comments: Heard by Hearing Officers who recommend approval.

ADMINISTRATIVE ORDERS BY CONSENT

Cause No. 1V, Docket No. 0606-OV-07, Garfield County

Staff Recommendation

Subject: Request to approve an Administrative Order by Consent finding Presco, Inc. in violation of Rule 324A.b., Water Quality Control Commission's Basic Standards for Surface Waters, for the Battlement Mesa No. 36-23 Well located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 36, Township 7 South, Range 95 West, 6th P.M.

Cause No. 1V, Docket No. 0606-OV-08, Statewide

Staff Recommendation

Subject: Request to approve an Administrative Order by Consent finding Texas Tea, LLC. in violation of Rule 708., failure to maintain general liability insurance coverage for property damage and bodily injury to third parties in the minimum amount of five hundred thousand dollars (\$500,000) per occurrence.