



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

# Monday, January 8, 2007

🕙 9:00 a.m.	Roll Call of Commissioners		
	Approval of Proceed	ings	
9:15 a.m.	Report from the Executive Director's Office		
& 9:30 a.m.	Report from the Director - Written report provided ● Financial Update from Wendy Schultz, COGCC Financial Manager		
© 11:00 a.m.	Address to Commission - Colorado Division of Wildlife Director Bruce McCloskey		
<b>® 11:30 a.m.</b>	Briefing on Recent Air Quality Control Commission Rulemaking – Colorado Air Pollution Control Division Director Paul Tourangeau		
© 12:00 p.m.	Audience Comments		
<b>® 12:15 p.m.</b>	Basics of the New Gas Gathering Definition – Jeannette Jones, Director of Pipeline Integrity DCP Midstream (fka Duke Energy Field Services)		
© 1:00 p.m.	Report from the Assistant Attorney General		
© 1:15 p.m.	Commissioner Comments		
<b>® 1:30 p.m.</b>	<u>Consent Agenda</u> 2 Administrative Hearing items including AOCs 11 Hearing Officer recommendations under Rule 511.b.		
		ket No. 0611-AW-32, Ignacio-Blanco Field, La Plata	
	<u>County</u> Applicant: Attorney:	Petrogulf Company Michael J. Wozniak	
	Subject:	Request for an order to allow up to four (4) wells to be optionally drilled in the 320-acre drilling and spacing unit consisting of the S <sup>1</sup> / <sub>2</sub> of Section 31, Township 33 North, Range 9 West, N.M.P.M., with the permitted well to be located no closer than 660 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Fruitland coal seams.	
	Protestants: Attorney:	BP America Inc. and Red Willow Production Company J. Michael Morgan	

Comments: Continued to the February 2007 hearing.

Cause No. 399, Docket No. 0701-SP-03, Vega Field, Mesa County

Applicant:Delta PetroleumAttorney:Michael J. Wozniak

- Subject: Request for an order to allow the equivalent of one (1) well per 20 acres for certain lands in Township 10 South, Range 93 West, 6<sup>th</sup> P.M., with the permitted well to be located no closer than 200 feet from the lease line, for the production of gas and associated hydrocarbons from the Mesaverde Group.
- Protestant:EnCana Oil & Gas (USA)Attorney:Welborn Sullivan Meck & Tooley, P.C.
- Comments: Continued to the February 2007 hearing.

Cause No. 139, Docket No. 0701-SP-04, Rulison Field, Garfield CountyApplicant:Williams Production RMT CompanyAttorney:William A. Keefe

- Subject: Request for an order to vacate the S½ 320-acre drilling and spacing unit in Section 25, Township 6 South, Range 94 West, 6<sup>th</sup> P.M., establish two (2) 160-acre drilling and spacing units consisting of the SW¼ and SE¼ of Section 25, Township 6 South, Range 94 West, 6<sup>th</sup> P.M., and 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.
- Comments: Continued to the February 2007 hearing.

Cause Nos. 191 & 510, Docket No. 0701-AW-01, Mamm Creek Field, GarfieldCountyApplicant:Antero Resources Piceance Corporation

- Attorney: William A. Keefe
- Subject: Request for an order to allow the equivalent of one (1) well per 10 acres, with the permitted well to be located no closer than 100 feet for the Williams Fork Formation and no closer than 100 feet for the Iles Formation, from the lease line for certain lands in the N½ of Section 8, Township 6 South, Range 92 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.
- Comments: Continued to the February 2007 hearing.

Cause No. 197, Docket No. 0701-EX-04, Vilas Field, Baca CountyApplicant:Spyglass Exploration, LLC.Representative:James F. Marquis

- Subject: Request for an order allowing an exception to the permitted location in Order No. 197-1, for a well to be drilled 624 feet from the north line and 155 feet from the east line in Section 30, Township 30 South, Range 45 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Topeka Limestone Formation.
- Comments: Continued to the February 2007 hearing.

Cause Nos. 1 & 407, Docket No. 0701-UP-01, Wattenberg Field, Weld CountyApplicant:Mineral Resources, Inc.Attorney:Keith M. Crouch

- Subject: Request for an order to establish a 160-acre drilling and spacing unit consisting of the E½ SW¼ and W½ SE¼ of Section 17, Township 5 North, Range 65 West, 6<sup>th</sup> P.M., for production from the Sussex, Codell, Niobrara, "J" Sand and Dakota Formations, and pool all nonconsenting interests for the development and operation of said formations.
- Comments: Continued to the February 2007 hearing.

Cause Nos. 1 & 407, Docket No. 0701-UP-02, Wattenberg Field, Weld CountyApplicant:Mineral Resources, Inc.Attorney:Keith M. Crouch

- Subject: Request for an order to establish a 160-acre drilling and spacing unit consisting of the S<sup>1</sup>/<sub>2</sub> NE<sup>1</sup>/<sub>4</sub> and N<sup>1</sup>/<sub>2</sub> SE<sup>1</sup>/<sub>4</sub> of Section 17, Township 5 North, Range 65 West, 6<sup>th</sup> P.M., for production from the Sussex, Codell, Niobrara, "J" Sand and Dakota Formations, and to pool all nonconsenting interests for the development and operation of said formations.
- Comments: Continued to the February 2007 hearing.

Cause Nos. 1 & 407, Docket No. 0701-UP-03, Wattenberg Field, Weld CountyApplicant:Mineral Resources, Inc.Attorney:Keith M. Crouch

- Subject: Request for an order to establish a 160-acre drilling and spacing unit consisting of the S<sup>1</sup>/<sub>2</sub> SW<sup>1</sup>/<sub>4</sub> of Section 16 and the N<sup>1</sup>/<sub>2</sub> NW<sup>1</sup>/<sub>4</sub> of Section 21, Township 5 North, Range 65 West, 6<sup>th</sup> P.M., for production from the Sussex, Codell, Niobrara, "J" Sand and Dakota Formations, and to pool all nonconsenting interests for the development and operation of said formations.
- Comments: Continued to the February 2007 hearing.

Cause Nos. 1 & 407, Docket No. 0701-UP-04, Wattenberg Field, Weld CountyApplicant:Mineral Resources, Inc.Attorney:Keith M. Crouch

- Subject: Request for an order to establish an 80-acre drilling and spacing unit consisting of the N½ NW¼ of Section 21, Township 5 North, Range 65 West, 6<sup>th</sup> P.M., for production from the Sussex, Codell, Niobrara, "J" Sand and Dakota Formations, and to pool all nonconsenting interests for the development and operation of said formations.
- Comments: Continued to the February 2007 hearing.

Cause Nos. 1 & 407, Docket No. 0701-UP-05, Wattenberg Field, Weld CountyApplicant:Mineral Resources, Inc.Attorney:Keith M. Crouch

- Subject: Request for an order to establish a 160-acre drilling and spacing unit consisting of the SW<sup>1</sup>/<sub>4</sub> of Section 17, Township 5 North, Range 65 West, 6<sup>th</sup> P.M., for production from the Sussex, Codell, Niobrara, "J" Sand and Dakota Formations, and to pool all nonconsenting interests for the development and operation of said formations.
- Comments: Continued to the February 2007 hearing.

Cause Nos. 1 & 407, Docket No. 0701-UP-06, Wattenberg Field, Weld CountyApplicant:Mineral Resources, Inc.Attorney:Keith M. Crouch

- Subject: Request for an order to establish an 80-acre drilling and spacing unit consisting of the S<sup>1</sup>/<sub>2</sub> NE<sup>1</sup>/<sub>4</sub> of Section 17, Township 5 North, Range 65 West, 6<sup>th</sup> P.M., for production from the Sussex, Codell, Niobrara, "J" Sand and Dakota Formations, and to pool all nonconsenting interests for the development and operation of said formations.
- Comments: Continued to the February 2007 hearing.

# CONSENT AGENDA

No protests/interventions were received or protests were resolved, or no interventions were made on the technical merits for the matters listed below. Based on the administrative hearings held or upon requests made by the applicants to approve the applications based on the merits of the verified applications and the supporting written testimony and exhibits, the Hearing Officer recommends approval. Draft proposed orders were provided. The applicants agreed to be bound by oral order of the Commission.

# **ADMINISTRATIVE HEARINGS**

Cause Nos. 139 & 440, Docket No. 0611-SP-49, Parachute & Rulison Fields,				
Garfield County				
Applicant:	Williams Production RMT Company			
Attorney:	William A. Keefe			
Subject:	Request for an order to vacate the E <sup>1</sup> / <sub>2</sub> NE <sup>1</sup> / <sub>4</sub> , SE <sup>1</sup> / <sub>4</sub> NW <sup>1</sup> / <sub>4</sub>			
Subject.	and SW <sup><math>\frac{1}{4}</math></sup> NE <sup><math>\frac{1}{4}</math></sup> from the 320-acre drilling and spacing unit			

in the N½ of Section 25, Township 6 South, Range 95 West,  $6^{th}$  P.M. established in Order No. 440-12, and establish two (2) 80-acre drilling and spacing units for these lands, for the production of gas and associated hydrocarbons from the Williams Fork Formation.

- Protestant: Bureau of Land Management
- Comments: Continued from November 2006. Protest withdrawn.

### RULE 511.b. RECOMMENDATIONS

Cause No. 191, Docket No. 0701-SP-01, Mamm Creek Field, Garfield County Applicant: Antero Resources Piceance Corporation

- Attorney: William A. Keefe
- Subject: Request for an order to establish a 160-acre drilling and spacing unit consisting of the NW<sup>1</sup>/<sub>4</sub> of Section 9, Township 6 South, Range 92 West, 6<sup>th</sup> 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 for the Williams Fork Formation and 100 feet for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause No. 191, Docket No. 0701-SP-02, Mamm Creek Field, Garfield CountyApplicant:Antero Resources Piceance CorporationAttorney:William A. Keefe

Subject: Request for an order to establish a 320-acre drilling and spacing unit consisting of the S½ of Township 6 South, Range 92 West, 6<sup>th</sup> 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 for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause No. 139, Docket No. 0701-SP-05, Rulison Field, Garfield County

- Applicant:Williams Production RMT CompanyAttorney:William A. Keefe
- Subject: Request for an order to vacate the 320-acre drilling and spacing unit consisting of the W½ of Section 18, Township 6 South, Range 93 West, 6th P.M. and establish a 160-acre drilling and spacing unit consisting of the NW¼ of Section 18, Township 6 South, Range 93 West, 6<sup>th</sup> P.M., with the permitted well to be located no closer than 600 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Cause Nos. 139, 440, 479 & 510, Docket No. 0701-AW-02, Parachute & Rulison Fields, Garfield County Applicant: Williams Production RMT Company Attorney: William A. Keefe

Subject: Request for an order 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 outside boundary for certain lands in Township 6 South, Ranges 95 and 96 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams, Iles and Sego Formations.

Cause No. 510, Docket No. 0701-AW-03, Parachute & Rulison Fields, Garfield County Applicant: Williams Production RMT Company

- Attorney: William A. Keefe
- Request for an order to allow the equivalent of one (1) well Subject: per 10 acres, with the permitted well to be located no closer than 100 feet from the outside boundary for certain lands in Township 6 South, Ranges 95 and 96 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork, Iles and Sego Formations.

Cause No. 510, Docket No. 0701-SP-07, Rulison Field, Garfield & Mesa

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

- Gregory R. Danielson Attorney:
- Subject: Request for an order to amend Order No. 510-14 and establish 40-acre drilling and spacing units in the SW1/4 of Section 35, Township 7 South, Range 96 West, 6<sup>th</sup> 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 and Iles Formations.

Cause No. 112, Docket No. 0701-EX-01, Ignacio-Blanco Field, La Plata County

County	
Applicant:	BP Production Company
Attorney:	Michael J. Wozniak

Subject: Request for an order allowing an exception to the permitted location in Order No. 112-156, for two (2) horizontal sidetracks with a bottom hole location in the NW1/4 of Section 15, Township 34 North, Range 8 West, N.M.P.M., to be located no closer than 660 feet from the boundaries of the N<sup>1</sup>/<sub>2</sub> of the drilling and spacing unit and for the 130 foot setback to the interior guarter section line to be eliminated, for the Annala Federal GU A #1 Well in said Section 15, for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Cause No. 112, Docket No. 0701-EX-02, Ignacio-Blanco Field, La Plata County Applicant: **BP** Production Company

Attorney: Michael J. Wozniak

Subject: Request for an order allowing an exception to the permitted location in Order No. 112-156, for two (2) horizontal sidetracks with a bottom hole location in the NE¼ of Section 8, Township 34 North, Range 7 West, N.M.P.M., to be located no closer than 660 feet from the boundaries of the  $E^{1/2}$  of the drilling and spacing unit and for the 130 foot setback to the interior quarter section line to be eliminated, for the Bush Federal GU #2 Well in said Section 8, for the Fruitland coal seams.

Cause No. 112, Docket No. 0701-EX-03, Ignacio-Blanco Field, La PlataCountyApplicant:BP Production CompanyAttorney:Michael J. Wozniak

Subject: Request for an order allowing an exception to the permitted location in Order No. 112-156, for two (2) horizontal sidetracks with a bottom hole location in the SW1/4 of Section 36, Township 35 North, Range 8 West, N.M.P.M., to be located no closer than 660 feet from the boundaries of the S1/2 of the drilling and spacing unit and for the 130 foot setback to the interior quarter section line to be eliminated, for the State of Colorado AV #1 Well in said Section 36, for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Cause No. 191, Docket No. 0701-UP-07, Mamm Creek Field, Garfield CountyApplicant:Antero Resources Piceance CorporationAttorney:Michael J. Wozniak

Subject: Request for an order pooling all nonconsenting interests in the approximate 186.3-acre drilling and spacing unit consisting of a portion of the N½ of Section 12, Township 6 South, Range 93 West, 6<sup>th</sup> P.M., for production of gas and associated hydrocarbons from the Williams Fork, Iles and Sego Formations.

# ADMINISTRATIVE ORDER BY CONSENT

Cause No. 1V, Docket No. 0701-OV-01, Weld County Staff Recommendation

Subject: Request to approve an Administrative Order by Consent finding Noble Energy Production, Inc. in violation of Rule 301., failure to provide written notice of intention to change plans previously approved and failure to receive written approval for the change before the work began on the Gray O 26-5 Well located in the NW<sup>1</sup>/<sub>4</sub> NW<sup>1</sup>/<sub>4</sub> of Section 26, Township 4 North, Range 67 West, 6<sup>th</sup> P.M.