



HEARING AGENDA

Two Rivers Convention Center
159 Main Street, *Colorado River Room*
Grand Junction, CO 81501

Wednesday, June 11, 2008

- ⌚ 8:30 a.m. Roll Call of Commissioners
- Approval of Proceedings
- ⌚ 8:35 a.m. Report from the Executive Director's Office
- ⌚ 8:50 a.m. Report from the Director - Written report provided
- ⌚ 9:30 a.m. Commissioner Comments
- ⌚ 9:45 a.m. Audience Comments (unrelated to rulemaking)
- ⌚ 10:15 a.m. Consent Agenda
 11 Hearing Officer recommendations under Rule 511.b.
 10 AOCs
- ⌚ 10:30 a.m. Cause No. 1R, Docket No. 0803-RM-02, Statewide
 Rulemaking Status Update – Hearing Officer Epel and Acting Director Neslin
- ⌚ 11:30 a.m. Adjourn

CONSENT AGENDA

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No valid protests/interventions were received or valid protests were resolved, or no interventions were made on the technical merits for the matters listed below. **Based 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 Officers recommend approval.** Draft proposed orders were provided. The applicants agreed to be bound by oral order of the Commission.

RULE 511.b. RECOMMENDATIONS

Cause Nos. 371 & 429, Docket No. 0806-AW-14, Brush Creek Field, Mesa
County

Applicant: Plains Exploration & Production Company

Attorneys: Scott M. Campbell/Nick A. Swartzendruber

Subject: Request for an order to vacate the 160-acre drilling and spacing unit established for Section 20, Township 9 South, Range 94 West, 6th P.M. and to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the lease

line for the SE¼ NE¼ of said Section 20, for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Cause No.112, Docket No. 0806-AW-16, Ignacio-Blanco Field, Archuleta

County

Applicant: Energen Resources Corporation & Red Willow
Production Company

Attorney: Michael J. Wozniak

Subject: Request for an order to allow two optional infill wells, for a total of four (4) wells, in the 320-acre drilling and spacing units, for certain lands in Township 32 North, Ranges 5 and 6 West, N.M.P.M., for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Cause No.139, Docket No. 0806-AW-17, Rulison Field, Garfield County

Applicant: Laramie Energy II, LLC

Attorney: William A. Keefe

Subject: Request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the outside boundary for the W½ of Section 19, Township 6 South, Range 93 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause No.139, Docket No. 0806-AW-18, Rulison Field, Garfield County

Applicant: Laramie Energy II, LLC

Attorney: William A. Keefe

Subject: Request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the outside boundary for the W½ of Section 19, Township 6 South, Range 93 West, 6th P.M., for the production of gas and associated hydrocarbons from the Iles Formation.

Cause Nos. 232 & 407, Docket No. 0806-UP-09, Wattenberg Field,

Broomfield & Weld Counties

Applicant: EnCana Oil & Gas (USA) Inc.

Attorney: Michael J. Wozniak

Subject: Request for an order to establish an approximate 160-acre wellbore spacing unit for the E½ SW¼ and W½ SE¼ of Section 34, Township 1 North, Range 68 West, 6th P.M., for the production of oil and associated hydrocarbons from the "J" Sand, Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of said formations.

Comments: Due to re-noticing to correct the legal location, no order could be issued until after June 26, 2008.

Cause Nos. 232 & 407, Docket No. 0806-UP-10, Wattenberg Field,

Broomfield & Weld Counties

Applicant: EnCana Oil & Gas (USA) Inc.

Attorney: Michael J. Wozniak

Subject: Request for an order to establish a 320-acre drilling and spacing unit in the W $\frac{1}{2}$ of Section 34, Township 1 North, Range 68 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the proposed Bickler 23-34 directional well with a surface location of 2426 feet FSL and 2412 feet FWL and drilling of the proposed Bickler 24-34 directional well with a surface location of 2411 feet FSL and 2412 feet FWL, for the development and operation of the "J" Sand, Codell and Niobrara Formations.

Cause Nos. 232 & 407, Docket No. 0806-UP-11, Wattenberg Field, Boulder County

Applicant: EnCana Oil & Gas (USA) Inc.

Attorney: Michael J. Wozniak

Subject: Request for an order to establish a 160-acre wellbore spacing unit in the S $\frac{1}{2}$ NE $\frac{1}{4}$ and the N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 24, Township 1 North, Range 69 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the proposed Lumry 6-4-24 directional well with a surface location of 894 feet FNL and 1010 feet FEL, for the development and operation of the "J" Sand, Codell and Niobrara Formations.

Cause Nos. 232 & 407, Docket No. 0806-UP-12, Wattenberg Field,

Broomfield County

Applicant: EnCana Oil & Gas (USA) Inc.

Attorney: Michael J. Wozniak

Subject: Request for an order to establish a 320-acre drilling and spacing unit in the E $\frac{1}{2}$ of Section 34, Township 1 North, Range 68 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the proposed Kats 31-34 directional well with a surface location of 1648 feet FNL and 1637 feet FEL, the Kats 41-34 Well with a surface location of 1648 feet FNL and 1622 feet FEL, the Kats 42-34 Well with a surface location of 1663 feet FNL and 1637 feet FEL, and the Kats 6-4-34 Well with a surface location of 1663 feet FNL and 1652 feet FEL, for the development and operation of the "J" Sand, Codell and Niobrara Formations.

Cause Nos. 232 & 407, Docket No. 0806-UP-13, Wattenberg Field,

Broomfield & Weld Counties

Applicant: EnCana Oil & Gas (USA) Inc.

Attorney: Michael J. Wozniak

Subject: Request for an order to establish a 160-acre wellbore spacing unit in the SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 34, Township 1 North, Range 68 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the proposed Bickler 4-4-34 directional well with a surface location of 2426 feet FSL and 2427 feet FWL, for the development and operation of the "J" Sand, Codell and Niobrara Formations.

Cause Nos. 232 & 407, Docket No. 0806-UP-14, Wattenberg Field, Boulder County

Applicant: EnCana Oil & Gas (USA) Inc.

Attorney: Michael J. Wozniak

Subject: Request for an order to establish a 160-acre wellbore spacing unit in the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 24 and the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 13, both in Township 1 North, Range 69 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the proposed Lumry 6-0-24 directional well with a surface location of 863 feet FNL and 990 feet FEL, for the development and operation of the "J" Sand, Codell and Niobrara Formations.

Cause No. 139, Docket No. 0806-SP-12, Rulison Field, Garfield County

Applicant: Williams Production RMT Company

Attorney: Michael J. Wozniak

Subject: Request for an order to establish four approximate 160-acre drilling and spacing units for certain lands in Section 12, Township 7 South, Range 95 West, 6th P.M., with the bottomhole location of each permitted well in the unit to be located no closer than 600 feet from the unit boundaries, for the production of gas and associated hydrocarbons from the Wasatch Formation.

ADMINISTRATIVE ORDER BY CONSENT

Cause No. 1V, Docket No. 0806-OV-05, Larimer County

Staff Recommendation

Subject: Request to approve an Administrative Order by Consent for failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit shall be removed within 24 hours of discovery and Rule 907.c.(1), and

produced water shall be treated prior to placement into a production pit to prevent crude oil from entering the pit at the Stugart 1 Well located in the NE¼ SW¼ of Section 30, Township 5 North, Range 68 West, 6th P.M.

Cause No. 1V, Docket No. 0806-OV-06, Larimer County
Staff Recommendation

Subject: Request to approve an Administrative Order by Consent for failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit shall be removed within 24 hours of discovery, Rule 907.a.(1), E&P waste shall be properly stored and handled, and Rule 210.b.(2) requiring permanent signs at the battery at the Warberg, Carl A. D #1 Well located in the NW¼ NE¼ of Section 29, Township 5 North, Range 68 West, 6th P.M.

Cause No. 1V, Docket No. 0806-OV-07, Larimer County
Staff Recommendation

Subject: Request to approve an Administrative Order by Consent for failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit shall be removed within 24 hours of discovery and Rule 907.c.(1), and produced water shall be treated prior to placement into a production pit to prevent crude oil from entering the pit at the Saulcy #2 Well located in the NW¼ SE¼ of Section 29, Township 5 North, Range 68 West, 6th P.M.

Cause No. 1V, Docket No. 0806-OV-08, Larimer County
Staff Recommendation

Subject: Request to approve an Administrative Order by Consent for failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit shall be removed within 24 hours of discovery, Rule 907.a.(1), E&P waste shall be properly stored and handled, and Rule 210.b.(2) requiring a permanent sign at the battery at the Dean Proctor #1 Well located in the SW¼ SW¼ of Section 28, Township 5 North, Range 68 West, 6th P.M.

Cause No. 1V, Docket No. 0806-OV-09, Larimer County
Staff Recommendation

Subject: Request to approve an Administrative Order by Consent for failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit shall be removed within 24 hours of discovery, Rule 907.a.(1), E&P waste shall be properly stored and handled, and Rule 907.c.(1), produced water shall be treated prior to placement into a production pit to prevent crude oil from entering the pit at

the Ihnen #1-A Well located in the SE¼ NE¼ of Section 31, Township 5 North, Range 68 West, 6th P.M.

Cause No. 1V, Docket No. 0806-OV-10, Larimer County
Staff Recommendation

Subject: Request to approve an Administrative Order by Consent for failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit shall be removed within 24 hours of discovery and Rule 907.c.(1), and produced water shall be treated prior to placement into a production pit to prevent crude oil from entering the pit at the Hale #2 Well located in the SE¼ SE¼ of Section 31, Township 5 North, Range 68 West, 6th P.M.

Cause No. 1V, Docket No. 0806-OV-11, Larimer County
Staff Recommendation

Subject: Request to approve an Administrative Order by Consent for failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit shall be removed within 24 hours of discovery, Rule 907.a.(1), E&P waste shall be properly stored and handled, and Rule 907.c.(1), produced water shall be treated prior to placement into a production pit to prevent crude oil from entering the pit at the Bunker #1 Well located in the NE¼ NE¼ of Section 31, Township 5 North, Range 68 West, 6th P.M.

Cause No. 1V, Docket No. 0806-OV-12, Larimer County
Staff Recommendation

Subject: Request to approve an Administrative Order by Consent for failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit shall be removed within 24 hours of discovery, Rule 907.a.(1), E&P waste shall be properly stored and handled, and Rule 907.c.(1), produced water shall be treated prior to placement into a production pit to prevent crude oil from entering the pit at the Bunker #5 Well located in the SE¼ SW¼ of Section 29, Township 5 North, Range 68 West, 6th P.M.

Cause No. 1V, Docket No. 0806-OV-13, Larimer County
Staff Recommendation

Subject: Request to approve an Administrative Order by Consent for failure by Magpie Operating, Inc., to comply with Rule 902.d., accumulation of oil on a pit shall be removed within 24 hours of discovery, Rule 907.a.(1), E&P waste shall be properly stored and handled, and Rule 907.c.(1), produced water shall be treated prior to placement into a production pit to prevent crude oil from entering the pit at

the Anderson #1 Well located in the SW¼ SW¼ of Section 32, Township 5 North, Range 68 West, 6th P.M.

Cause No. 1V, Docket No. 0806-OV-14, Yuma County
Staff Recommendation

Subject: Request to approve an Administrative Order by Consent for failure by Petroleum Development Corporation to comply with Rule 325.c.(7), failure to inject at pressures less than the maximum injection pressure, as set by the Director, for the Gardner (SWD) 12-26 Well located in the SW¼ NW¼ of Section 26, Township 1 North, Range 45 West, 6th P.M.

CONTINUED AND WITHDRAWN MATTERS

Cause No. 112, Docket No. 0710-AW-22, Ignacio-Blanco Field, La Plata County

Applicant: Chevron USA Inc. and Four Star Oil & Gas Company
Attorney: William A. Keefe

Subject: Request for an order to allow 2 additional wells for a total of 4 in the 320-acre drilling and spacing units in certain lands in Township 34 North, Ranges 9 and 10 West, N.M.P.M., with the permitted well to be located no closer than 660 feet from the outer unit boundary, for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Intervenor: La Plata County
Attorney: Jeffery P. Robbins

Intervenor: San Juan Citizens Alliance
Representative: Josh Joswick

Comments: Continued to the July hearing.

Cause No. 112, Docket No. 0801-EX-01, Ignacio-Blanco Field, La Plata County

Applicant: Chevron Midcontinent, L.P.
Attorney: William A. Keefe

Subject: Request for an order to allow a well to be drilled within one and one-half miles of the outcrop contact between the Fruitland and Pictured Cliffs Formations in the 320-acre drilling and spacing unit in the E½ of Section 3, Township 34 North, Range 9 West, N.M.P.M., for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Intervenor: La Plata County
Attorney: Jeffery P. Robbins

Comments: Continued to the July hearing.

Cause No. 315, Docket No. 0805-AW-12, Vernon Field, Yuma County

Applicant: Rosetta Resources, Inc.

Attorneys: Michael J. Wozniak/Susan L. Aldridge/Andrew Bremner

Subject: Request for an order to allow three additional wells, for a total of four (4) wells, in the 160-acre drilling and spacing units, in Sections 22 through 24, Township 1 South, Range 44 West, 6th P.M., with the permitted well to be located no closer than 900 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Niobrara Formation.

Protestants: Chapman Farms and Dean Long

Comments: Prehearing conference held on April 30, 2008 and continued from the May and June hearings.

Cause No. 315, Docket No. 0805-EX-03, Vernon Field, Yuma County

Applicant: Rosetta Resources, Inc.

Attorneys: Michael J. Wozniak/Susan L. Aldridge/Andrew Bremner

Subject: Request for an order allowing an exception to the permitted location in Order No. 315-3, for the drilling of the proposed Chapman 22-12 Well with a surface location of 2451 feet FSL and 651 feet FWL, in the NW¼ SW¼ of Section 22, Township 1 South, Range 44 West, 6th P.M., for the production of gas and associated hydrocarbons from the Niobrara Formation.

Protestants: LeRoy Deterding and William Deterding

Comments: Prehearing conference held on April 30, 2008 and continued from the May and June hearings.

Cause No. 139 & 440, Docket No. 0806-AW-15, Rulison & Parachute Fields, Garfield County

Applicant: EnCana Oil & Gas (USA) Inc.

Attorneys: Michael J. Wozniak/Susan L. Aldridge

Subject: Request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the unit boundary for certain lands in Township 7 South, Range 95 West, 6th P.M., for production of gas and associated hydrocarbons from the Williams Fork Formation.

Comments: Continued from the June hearing.

Cause No. 510, Docket No. 0806-EX-04, Rulison Field, Garfield County

Applicant: Noble Energy, Inc.

Attorneys: Michael J. Wozniak/Susan L. Aldridge

Subject: Request for an order allowing an exception to the permitted location in Order No. 510-32 for the Cotner 35-14D Well at a bottomhole location of 150 feet FSL and 440 feet FWL in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35, Township 7 South, Range 96 West, 6th P.M., for production of gas and associated hydrocarbons from the Mancos Formation.

Protestant: EnCana Oil & Gas (USA)

Attorneys: Stephen J. Sullivan/Blake Pickett

Comments: Application was amended on May 23, 2008 and continued to the July hearing.

Cause No. 427, Docket No. 0806-UP-15, Wildcat Field, Moffat County

Applicant: Yates Petroleum Corporation

Attorneys: Scott M. Campbell/Nick A. Swartzendruber

Subject: Request for an order to establish a 80-acre exploratory drilling and spacing unit in the S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 31, Township 12 North, Range 90 West, 6th P.M., and to pool all nonconsenting interests in said unit, for production of gas and associated hydrocarbons from the Lewis and Mesaverde Formations.

Comments: Continued to the July hearing.

Cause No. 166, Docket No. 0806-SP-13, Plateau Field, Mesa County

Applicant: Plateau Energy Partners, LLC.

Attorneys: Michael J. Wozniak

Subject: Request for an order to vacate 160-acre drilling and spacing units and establish 40-acre drilling and spacing units and to allow one well per 10 acres, with the permitted well to be located no closer than 200 feet to the unit or lease line boundary for certain lands in Townships 9 and 10 South, Range 95 West, 6th P.M., for production of gas and associated hydrocarbons from the Williams Fork Formation.

Comments: Continued to the July hearing.

Cause No. 381, Docket No. 0806-UP-07, Bracewell Field, Weld County

Applicant: Apollo Operating, LLC

Attorneys: Brent Chicken/Susan L. Aldridge

Subject: Request for an order to pool all nonconsenting interests in the 80-acre drilling and spacing unit consisting of the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 18, Township 6 North, Range 66, West, 6th P.M., for the development and operation of the Codell and Niobrara Formations.

Comments: Application withdrawn; hearing cancelled.

Cause No. 381, Docket No. 0806-UP-08, Bracewell Field, Weld County

Applicant: Apollo Operating, LLC

Attorneys: Brent Chicken/Susan L. Aldridge

Subject: Request for an order to pool all nonconsenting interests in the 80-acre drilling and spacing unit consisting of the E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 18, Township 6 North, Range 66, West, 6th P.M. for the development and operation of the Codell and Niobrara Formations.

Comments: Application withdrawn; hearing cancelled.

Cause No. 1, Docket No. 0803-GA-02, Weld County

Applicant: City of Greeley

Attorney: Jeffrey C. Parins

Subject: Request for a hearing on the proposed Lake 31-43 Well located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 31, Township 6 North, Range 66 West, 6th P.M., or in the alternative for an order designating the entire site of the Poudre Learning Center as both a High Density Area and a Designated Outside Activity Area.

Protestant: Orr Energy, LLC

Attorney: J. Michael Morgan

Comments: Continued from the March hearing where the applicant and protestant presented their cases-in-chief. Commission deliberation was continued and parties were encouraged to attempt a settlement. An agreement was reached as of May 7, 2008 and a joint request to continue to the June hearing was filed to allow the agreement to be finalized. On May 19, 2008, the City of Greeley reached a final agreement and fully resolved the matter. Application withdrawn; hearing cancelled.