



HEARING AGENDA

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

The times associated with each docketed item are subject to change. The Commission reserves the right to call any and all agenda items out of order.

Tuesday, June 1, 2010

- ⌚ 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. Presentation – Mike Paules, Manager of Environment, Health, & Safety, Williams Production RMT Company - Williams Recycling Program for Pit Liners
- ⌚ 10:45 a.m. Presentation – Stuart Ellsworth, East Region Engineering Supervisor, COGCC BOP Rules
- ⌚ 11:05 a.m. Commissioner Comments
- ⌚ 11:15 a.m. Audience Comments
- ⌚ 11:25 a.m. Consent Agenda
- 20 Hearing Officer recommendations under Rule 511.
- 1 Order Finding Violation

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. RECOMMENDATION PRESENTATION

Cause Nos. 1, 369, 399, 429, Docket No. 1003-GA-05, Vega, and Buzzard Creek Fields, Mesa County

Applicant: Delta Petroleum Corporation
Attorney: Kenneth A. Wonstolen

Subject: Request for an order to limit the number of wellsites according to Rule 503, to no more than three per section for lands consisting of Sections 6 and 7, Township 9 South, Range 92 West, 6th P.M. and Sections 12, 28 and 29, Township 9 South, Range 93 West

6th P.M., and limit the number of wellsites to a single location for lands consisting of Section 1, Township 8.5 South, Range 93 West, 6th P.M., and pursuant to Rule 1202.d(5), limiting ground disturbing activity during certain periods of time for each of the above mentioned sections, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Protestant: Bureau of Land Management
Representative: Lynn E. Rust, Deputy State Director

Comment: Moved to the April Hearing to resolve lease transfer issues raised by the U.S. Department of Interior, Bureau of Land Management ("BLM"). On May 19, 2010, the BLM withdrew its protest; on May 21, 2010, an Administrative Hearing was held, and the Hearing Officer recommended approval of the application.

RULE 511. RECOMMENDATIONS

Cause No. 191, Docket No. 1006-AW-04, Mamm Creek Field, Garfield County

Applicant: Williams Production RMT Company
Attorney: William A. Keefe

Subject: Request for an order to allow the equivalent of one optional well per 10 acres, with the permitted well to be located no closer than 100 feet from the lease line, for certain lands in Township 6 South, Range 91 West, 6th P.M., for the production of gas and associated hydrocarbons from the Iles Formation.

Cause No. 440, Docket No. 1006-AW-05, Parachute Field, Garfield County

Applicant: Williams Production RMT Company
Attorney: William A. Keefe

Subject: Request for an order to allow the equivalent of one optional well per 10 acres, with the permitted well to be located no closer than 100 feet from the unit boundary for the N½ of Section 7, Township 7 South, Range 95 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Cause No. 191, Docket No. 1006-EX-02, Parachute Field, Garfield County

Applicant: EnCana Oil & Gas (USA) Inc.
Attorney: Michael J. Wozniak/Jamie L. Jost

Subject: Request for an order for an exception location for the Twin Creek 12-5A2 Well with the proposed bottomhole to be located 1,560 feet FNL and 660 feet FWL in the SW¼ NW¼ of Section 12, Township 7 South, Range 92 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation.

510 Statement: Lisa Bracken
Blair Bracken
Emma Eicher

Comments: On May 20, 2010, a Prehearing Conference/Administrative Hearing was held. At the end of the Pre-hearing Conference, protestants decided to convert the protest to a 510 statement and submit their concerns in conjunction with Applicant's Applications for Permits-to-Drill (Form 2s) and Oil and Gas Location Assessments (Form 2As). The Hearing Officer recommended approval of the unprotected application.

Cause No. 191, Docket No. 1006-EX-03, Parachute Field, Garfield County

Applicant: EnCana Oil & Gas (USA) Inc.
Attorney: Michael J. Wozniak/Jamie L. Jost

Subject: Request for an order for an exception location for the proposed Twin Creek 12-4D1 Well with the bottomhole to be located 1035 feet FNL and 660 feet FWL in the NW¼ NW¼ of Section 12, Township 7 South, Range 92 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation.

510 Statement: Lisa Bracken
Blair Bracken
Emma Eicher

Comments: On May 20, 2010, a Prehearing Conference/Administrative Hearing was held. At the end of the Pre-hearing Conference, protestants decided to convert the protest to a 510 statement and submit their concerns in conjunction with Applicant's Applications for Permits-to-Drill (Form 2s) and Oil and Gas Location Assessments (Form 2As). The Hearing Officer recommended approval of the unprotected application.

Cause No. 191, Docket No. 1006-EX-04, Parachute Field, Garfield County

Applicant: EnCana Oil & Gas (USA) Inc.
Attorney: Michael J. Wozniak/Jamie L. Jost

Subject: Request for an order for an exception location for the proposed Twin Creek 12-4A1 Well with the bottomhole to be located 454 feet FNL and 660 feet FWL in the NW¼ NW¼ of Section 12, Township 7 South, Range 92 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation.

510 Statement: Lisa Bracken
Blair Bracken
Emma Eicher

Comments: On May 20, 2010, a Prehearing Conference/Administrative Hearing was held. At the end of the Pre-hearing Conference, protestants decided to convert the protest to a 510 statement and submit their concerns in conjunction with Applicant's Applications for Permits-to-Drill (Form 2s) and Oil and Gas Location Assessments (Form 2As). The Hearing Officer recommended approval of the unprotected application.

Cause No. 510 Docket No. 1006-SP-13, Grand Valley Field, Garfield County

Applicant: EnCana Oil & Gas (USA) Inc.
Attorney: Andrew A. Bremner/Ken A. Wonstolen

Subject: Request for an order contracting the size of the North Parachute Ranch Unit as established in Order No. 479-20 and 510-49, for certain lands in Township 5 South, Range 95 West, 6th P.M., and Township 6 South, Range 96 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Cause No. 510 Docket No. 1006-SP-14, Grand Valley Field, Garfield County

Applicant: Noble Energy, Inc.
Attorney: Michael J. Wozniak/Jamie L. Jost

Subject: Request for an order to vacate the existing 40-acre drilling and spacing unit established in Order No. 510-36, and establish a 160-acre drilling and spacing unit consisting of the NE $\frac{1}{4}$ of Section 35, Township 7 South, Range 96 West, 6th P.M., and continue to allow the equivalent of one well per 10 acres, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause No. 407 Docket No. 1006-SP-15, La Poudre South Field, Weld County

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

Subject: Request for an order to vacate the existing 80-acre drilling and spacing unit established in Order No. 407-87, and establishing two 40-acre drilling and spacing units consisting of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 25, Township 6 North, Range 67 West, 6th P.M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations.

Cause No. 318 Docket No. 1006-SP-16, Republican Field, Yuma County

Applicant: Augustus Energy Partners, LLC
Attorney: Michael J. Wozniak/Jamie L. Jost

Subject: Request for an order to vacate the existing 160-acre drilling and spacing unit established in Order No. 318-3, and establish two 80-acre stand-up drilling and spacing units consisting of the E $\frac{1}{2}$ SW $\frac{1}{4}$ and the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 18, Township 1 North, Range 44 West, 6th P.M., for the production of gas and associated hydrocarbons from the Niobrara Formation.

Cause No. 139 Docket No. 1006-SP-17, Rulison Field, Garfield County

Applicant: Laramie Energy II, LLC
Attorney: William A. Keefe

Subject: Request for an order to vacate the existing 40-acre drilling and spacing units established in Order 139-73, and establish one approximate 131.87-acre drilling and spacing unit consisting of Lot 1 (26.34 acres), Lot 2 (25.53 acres), S $\frac{1}{2}$ NE $\frac{1}{4}$ in Section 18, Township 7 South, Range 94 West, 6th P.M., and allow the continued equivalent of one 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. 407 Docket No. 1006-UP-37, Wattenberg Field, Weld County

Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorney: William Keefe/Jamie J. Jost

Subject: Request for an order to pool all nonconsenting interests in the established 80-acre drilling and spacing unit consisting of the S½ SE¼ of Section 25, Township 5 North, Range 66 West, 6th P.M., to accommodate the Curtis 15-25 Well, for the development and operation of the Codell and Niobrara Formations.

Cause No. 407 Docket No. 1006-UP-38, Wattenberg Field, Weld County

Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorney: William Keefe/Jamie J. Jost

Subject: Request for an order to pool all nonconsenting interests in a designated 160-acre wellbore spacing unit consisting of the SW¼ SE¼, SE¼ SW¼ in Section 25 and NW¼ NE¼, NE¼ NW¼ in Section 36, Township 5 North, Range 66 West, 6th P.M., to accommodate the Curtis 36-25 Well, for the development and operation of the Codell and Niobrara Formations.

Cause No. 407 Docket No. 1006-UP-39, Wattenberg Field, Weld County

Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorney: William Keefe/Jamie J. Jost

Subject: Request for an order to pool all nonconsenting interests in a designated 160-acre wellbore spacing unit consisting of the W½ SE¼ and E½ SW¼ in Section 25, Township 5 North, Range 66 West, 6th P.M., to accommodate the Curtis 23-25 Well, for the development and operation of the Codell and Niobrara Formations.

Cause No. 407 Docket No. 1006-UP-40, Wattenberg Field, Weld County

Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorney: William Keefe/Jamie J. Jost

Subject: Request for an order to pool all nonconsenting interests in a designated 160-acre wellbore spacing unit consisting of the S½ SE¼ in Section 25 and the N½ NE¼ in Section 36, Township 5 North, Range 66 West, 6th P.M., to accommodate the Curtis 37-25 Well, for the development and operation of the Codell and Niobrara Formations.

Cause No. 232 & 407 Docket No. 1006-UP-41, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.
Attorney: Andrew A. Bremner/Kenneth A. Wonstolen

Subject: Request for an order to pool all nonconsenting interests in a designated 160-acre wellbore spacing unit consisting of the W½ NE¼, E½ NW¼ of Section 33, Township 5 North, Range 66 West, 6th P.M., to accommodate the Ashton J33-18D Well, for the

development and operation of the Codell, Niobrara and “J” Sand Formations.

Cause No. 407 Docket No. 1006-UP-42, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.

Attorney: Andrew A. Bremner/Kenneth A. Wonstolen

Subject: Request for an order to pool all nonconsenting interests in a designated 160-acre wellbore spacing unit consisting of the NW¼ of Section 33, Township 5 North, Range 66 West, 6th P.M., to accommodate the Ashton J33-19 Well, for the development and operation of the Codell and Niobrara Formations.

Cause No. 407 Docket No. 1006-UP-43, Wattenberg Field, Weld County

Applicant: Petroleum Development Corporation

Attorney: William E. Sparks/Kenneth A. Wonstolen

Subject: Request for an order to establish a 160-acre drilling and spacing unit in the SE¼ of Section 13, Township 4 North, Range 67 West, 6th P.M., and to pool all nonconsenting interests, to accommodate the Bernhardt 13D, Bouge 1, and Brindle 1 Wells, for the development and operation of the Codell and Niobrara Formations.

Cause No. 5 Docket No. 1006-UP-44, Peetz West Field, Weld County

Applicant: East Cheyenne Gas Storage, LLC

Attorney: David R. Little

Subject: Request for an order to establish the Peetz West Field J Sand Unit for an enhanced recovery project consisting of certain lands in Section 6, Township 11 North, and Section 31 Township 12 North, Range 52 West, 6th P.M., and Section 1, Township 11 North, and Section 36, Township 12 North, Range 53 West, 6th P.M., for the production of gas and associated hydrocarbons from the “J” Sand Formation.

Cause No. 5 Docket No. 1006-UP-45, Peetz West Field, Weld County

Applicant: East Cheyenne Gas Storage, LLC

Attorney: David R. Little

Subject: Request for an order to establish the Peetz West Field D-2 Sand Unit for an enhanced recovery project consisting of certain lands in Sections 5, 6, & 7, Township 11 North, and Section 31, Township 12 North, Range 52 West, 6th P.M., and Section 36, Township 12 North, Range 53 West, 6th P.M., for the production of gas and associated hydrocarbons from the “D” Sand Formation.

🕒 12:00 p.m.

Executive Session

- *Colorado Oil & Gas Association v. COGCC*
- *Chase/Sutak (Moqui Meadows) v. COGCC*
- *Grand Valley Citizens Alliance v. COGCC*

🕒 12:15 p.m.

Lunch

ORDER FINDING VIOLATION

⌚ 1:15 p.m.

Cause No. 1V, Docket No. 1004-OV-02, Adams County
Staff Recommendation

Subject: Request to approve an order finding violation between Staff and Barnes Petroleum Corporation in violation of Rules 302.a., 706., 319.b(1), 326.d., and 326.d., at the Rosener #1 Well located in the NW¼ NE¼ of Section 8, Township 1 South, Range 59 West, 6th P.M.

⌚ TBD

Hearing Adjourns

CONTINUED AND WITHDRAWN MATTERS

Cause No. 1, Docket No. 1004-GA-07, Adams County

Applicant: BP Energy, Inc
Representative: Van K. Bullock

Subject: Request to obtain a variance from the requirement to provide financial assurance in the amount set forth in Rule 706.a.

Comments: Continued to the July hearing. Applicant is attempting to obtain financial assurance in the amount required by COGCC Rules, failing which it will request a variance.

Cause No. 112, Docket No. 1004-UP-21, Ignacio-Blanco Field, Archuleta County

Applicant: Seibels
Attorney: Scott M. Campbell

Subject: Request for an order to clarify that Order No. 112-162 force pooled the Seibel Trust only in the Swanemyr 32-6#1-2 Well and declaring that the Seibel Trust must be offered the opportunity to participate in the Swanemyr 32-6 #1-2 and Swanemyr 32-6 #1-3 Wells, located in the SE¼ SE¼ of Section1, Township 32 North, Range 6 West, 6th P.M., and for an accounting under the provisions of § 34-60-118.5 of the Oil and Gas Conservation Act, for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Protestant: Energen Resources, Inc.
Attorney: Andrew A. Bremner/Michael J. Wozniak

Protestant: BP America Production Company
Attorney: Thomas P. Dugan

Comments: Continued to the July hearing.

Cause No. 139, Docket No. 1004-UP-29, Rulison Field, Garfield County

Applicant: Williams Production RMT Company
Attorney: William A. Keefe

Subject: Request for an order to pool all nonconsenting interests in the established 320-acre drilling and spacing unit consisting of the N½ of Section 24, Township 6 South, Range 94 West, 6th P.M., for

the development and operation of the Codell and Niobrara Formations.

Protestants: J. Andrew Dunn and Niki D. LeClair
Attorney: Gretchen VanderWerf

Comments: Continued to the July hearing.

Cause No. 440, Docket No. 1006-AW-03, Parachute Field, Garfield County

Applicant: Encana Oil & Gas (USA) Inc.
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 unit boundary for certain lands in Township 7 South, Ranges 95 and 96 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Comments: Continued to the July hearing.

Cause No. 1V, Docket No. 1006-OV-05, Adams County
Staff Recommendation

Subject: Request for an order finding Eddy Oil Company in violation of Rules 317.d., 324A.a., 324A.b., 326.d., and 906.a. for oil and gas operations at the Dupper #2 Well, located in the NW¼ NW¼ of Section 26, Township 4 North, Range 65 West, 6th P.M.

Comments: Continued to the July hearing.

Cause No. 421, Docket No. 1006-AW-06, Hereford Field, Weld County

Applicant: EOG Resources, Inc.
Attorney: Michael J. Wozniak/Jamie L. Jost

Subject: Request for an order to allow one additional horizontal infill well in the established 640-acre drilling and spacing units located in Section 6, Township 11 North, Range 62 West, 6th P.M., and Section 1, Township 11 North, Range 63 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Comments: Application withdrawn.

Cause No. 1, Docket No. 1006-GA-08, Wattenberg Field, Weld County

Applicant: SMT Investors, LP
Attorney: Jerri L. Jenkins

Subject: Request for Commission hearing, under Rule 305. on an APD filed by EnCana Oil & Gas (USA) LP, for the Oskarson SESW Multi Well pad #4-6-33 located in the SE¼ SW¼ of Section 33, Township 2 North, Range 68 West, 6th P.M.

Comments: EnCana withdrew their APDs; Application withdrawn.