



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.

Monday November 29, 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
- ⌚ 9:45 a.m. Staff Presentations – Jim Milne, Senior Research and Applied Scientist COGCC – Mapping Horizontal Wells
- ⌚ 10:15 a.m. Commissioner Comments
- ⌚ 10:30 a.m. Audience Comments
- ⌚ 10:45 a.m. Consent Agenda
- 12 Hearing Officer Recommendations under Rule 511.
 - 1 Staff Recommendation
 - 6 Administrative Orders by Consent
 - 2 Orders 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. RECOMMENDATIONS

Cause No. 112, Docket No. 1008-UP-51, Ignacio-Blanco Field, La Plata County

Applicant: BP America Production Company

Attorney: William A. Keefe/Jamie L. Jost

Subject: Request for an order to pool all nonconsenting interests for the 320-acre drilling and spacing unit consisting of the S½ of Section 21, Township 34 North, Range 9 West, N.M.P.M.

Comments: Continued from the October hearing.

Cause No. 407, Docket No. 1010-SP-31, Wattenberg Field, Weld County

Applicant: Bonanza Creek Energy Operating Company, LLC.

Attorney: J. Michael Morgan

Subject: Request for an order to establish twenty-one approximate 640-acre drilling and spacing units for various lands in Township 5 North, Ranges 61 and 62 West, 6th P.M. and Township 6 North, Range 62 West, 6th P.M., and allow one horizontal well in each of the units, with initial penetration of the Codell and Niobrara Formations, lateral, and bottomhole location not closer than 460 feet from the boundaries of the unit.

Comments: Continued from the October hearing.

Cause No. 112, Docket No.1011-AW-08, Ignacio-Blanco Field, La Plata County

Applicant: BP America Production Company & Red Willow Production Company

Attorneys: Michael J. Wozniak/Jamie L. Jost

Subject: Request to allow an optional second well in established 320-acre drilling and spacing units for certain lands in Township 32 North, Ranges 9 and 10 West, N.M.P.M. (S.U.L.) and Township 33 North, Ranges 9 and 10 West, N.M.P.M. (S.U.L.)

Cause No. 112, Docket No.1011-AW-09, Ignacio-Blanco Field, La Plata County

Applicant: BP America Production Company & Red Willow Production Company

Attorneys: Michael J. Wozniak/Jamie L. Jost

Subject: Request to allow up to four optional wells in established 320-acre drilling and spacing units for certain lands in Township 32 North, Range 9 West, N.M.P.M. (S.U.L.) and Township 33 North, Ranges 9 and 10 West, N.M.P.M. (S.U.L.)

Intervenor: La Plata County

Attorney: Paul Kosnik

Comments: On November 16, 2010, La Plata submitted a conditional withdrawal of its intervention.

Cause No. 112, Docket No.1011-AW-10, Ignacio-Blanco Field, Archuleta County

Applicant: Red Willow Production Company

Attorneys: Michael J. Wozniak/Jamie L. Jost

Subject: Request to amend Order No. 112-210 to approve an optional second horizontal well for the 356.62-acre drilling and spacing unit established for the W $\frac{1}{2}$ E $\frac{1}{2}$ and W $\frac{1}{2}$ of Section 21, Township 32 North, Range 4 West, N.M.P.M.

Cause No. 191, Docket No.1011-AW-11, Mamm Creek Field, Garfield County

Applicant: Bill Barrett Corporation

Attorneys: William A. Keefe

Subject: Request to approve the equivalent of one well per 10 acres well density for the production of gas and associated hydrocarbons from the Iles Formation in the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 19, Township 6 South, Range 91 West, 6th P.M.

Cause No. 112, Docket No.1011-SP-40, Ignacio-Blanco Field, Archuleta County

Applicant: Red Willow Production Company
Attorney: Jamie L. Jost/Michael J. Wozniak

Subject: Request to amend Order No. 112-210 to combine a 359.02-acre drilling and spacing unit established for the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 21 and the W $\frac{1}{2}$ of Section 22, Township 32 North, Range 4 West, N.M.P.M. and a 360.00-acre drilling and spacing unit established for the E $\frac{1}{2}$ of Section 22 and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 23 Township 32 North, Range 4 West, N.M.P.M. into a 719.02-acre drilling and spacing unit for those same lands and approve two horizontal wells on the combined unit for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Cause No. 191, Docket No.1011-SP-41, Ignacio-Blanco Field, Archuleta County

Applicant: Bill Barrett Corporation
Attorney: William A. Keefe

Subject: Request to establish an approximate 140-acre drilling and spacing unit for the N $\frac{1}{2}$ NE $\frac{1}{4}$, the N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, and the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 24, Township 6 South, Range 92 West, 6th P.M.

Cause No. 191, Docket No.1011-SP-42, Mamm Creek Field, Garfield County

Applicant: Bill Barrett Corporation
Attorney: William A. Keefe

Subject: Request to establish an approximate 100-acre drilling and spacing unit for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations in the S $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, and the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24, Township 6 South, Range 92 West, 6th P.M.

Cause No. 5, Docket No.1011-UP-59, Peetz West Field, Logan County

Applicant: East Cheyenne Gas Storage, LLC
Attorney: David R. Little

Subject: Request for an order to make effective the establishment of the enhanced recovery unit and enhanced recovery operations approved by Order No. 5-1 for the "J"-Sand Formation in certain lands located in Section 6 in Township 11 North, Range 52 West, 6th P.M., Section 31 in Township 12 North, Range 52 West, 6th P.M., Section 1 in Township 11 North, Range 53 West, 6th P.M., and Section 36 in Township 12 North, Range 53 West, 6th P.M., based on the written approval and consent of 80% or more of the royalty interest owners.

Cause No. 5, Docket No.1011-UP-60, Peetz West Field, Logan County

Applicant: East Cheyenne Gas Storage, LLC
Attorney: David R. Little

Subject: Request for an order to make effective the establishment of the enhanced recovery unit and enhanced recovery operations approved by Order No. 5-2 for the "D" Sand Formation in certain lands located in Section 3, 5 and 7 in Township 11 North, Range

52 West, 6th P.M., Section 31 in Township 12 North, Range 52 West, 6th P.M., and Section 36 in Township 12 North, Range 53 West, 6th P.M., based on the written approval and consent of 80% or more of the royalty interest owners.

Cause No. 232 & 407, Docket No.1011-UP-62, Wattenberg Field, Logan County

Applicant: Kerr-McGee Oil & Gas Onshore LP

Attorney: Michael J. Wozniak/Jamie L. Jost

Subject: Request to pool specifically named nonconsenting interests for certain described wells and future wells drilling in designated drilling and spacing units and wellbore spacing units located within portions of Sections 7, 8, 17, 18, and 19 in Township 3 North, Range 66 West, 6th P.M.

Cause No. 1, Docket No. 1010-GA-19, Boxelder Creek Alluvium, Larimer County

Applicant: Wellington Operating Company, LLC

Attorney: Steven Bushong

Subject: Request to extend the duration of the current discharge permit, previously granted under Order No. 1-108, to discharge treated produced water from the Wellington Muddy Unit into the Boxelder Creek Alluvium in the SE¼ of Section 7, Township 9 North, Range 68 West, 6th P.M., until such time as the permit renewal process can be completed and authorized by the Commission at a regularly scheduled hearing.

Comments: Staff request this interim measure to continue the validity of the current permit until such time as a renewal can be drafted with Staff's recommended conditions of approval.

🕒 11:45 a.m.

ADMINISTRATIVE ORDERS BY CONSENT

Cause No. 1V, Docket No. 1009-OV-07, Morgan County

Staff Recommendation

Subject: Request for approval of an Administrative Order By Consent against Magpie Operating, Inc. for violations of Rules 319.b.(1), 319.b.(3), and 326.b.(1) for oil and gas operations at the J.W. Challis #1 Well (API No. 05-087-06066), located in the SW¼ SW¼ of Section 34, Township 4 North, Range 59 West, 6th P.M.

Comments: Continued from the October hearing.

Cause No. 1V, Docket No. 1011-OV-10, Las Animas County

Staff Recommendation

Subject: Request for approval of an Administrative Order By Consent with Pioneer Natural Resources USA, Inc. for a violation of Rule 303.a. for oil and gas operations at the Bantini #11-25TR Well (API No. 05-071-09195) located in the NW¼ NW¼ of Section 25, Township 32 North, Range 66 West, 6th P.M.

Cause No. 1V, Docket No. 1011-OV-11, Weld County
Staff Recommendation

Subject: Request for approval of an Administrative Order By Consent with Noble Energy Production, Inc. for violations of Rules 324A.a., 907.a.(1), and 907.d.(3)B. for oil and gas operations at the Buxman I #26-6 Well (API No. 05-123-23401), located in the SE¼ NW¼ of Section 26, Township 6 North, Range 67 West, 6th P.M.

Cause No. 1V, Docket No. 1011-OV-12, Weld County
Staff Recommendation

Subject: Request for approval of an Administrative Order By Consent with Petro-Canada Resources for violation of Rules 324A.a., 907.a.(1), and 907.d.(3)B. at the Deshazo #24-41 Well (API No. 05-123-23922), located in the NE¼ SE¼ of Section 24, Township 6 North, Range 67 West, 6th P.M.

Cause No. 1V, Docket No. 1011-OV-13, Rio Blanco County
Staff Recommendation

Subject: Request for approval of an Administrative Order By Consent with ExxonMobil Oil Corporation for a violation of Rule 303.a. for oil and gas operations at the Piceance Creek Unit Well #296-7A7 (API No. 05-103-10825-00), located in the SE¼ NE¼ of Section 7, Township 2 South, Range 96 West, 6th P.M.

Cause No. 1V, Docket No. 1011-OV-14, Garfield County
Staff Recommendation

Subject: Request for approval of an Administrative Order By Consent with Noble Energy Production, Inc. for a violation of Rule 303.a. for oil and gas operations at the Nocks #1-11D Well (API No. 05-045-12300-00), located in the NW¼ NW¼ of Section 1, Township 8 South, Range 96 West, 6th P.M.

HEARING MATTERS

ORDERS FINDING VIOLATION

Cause No. 1V, Docket No. 1011-OV-15, Jefferson County
Staff Recommendation

Subject: Request for an Order Finding Violation against Premier Oil & Gas, Inc. for violations of Rules 206., 210.b.(1), 309., 319.b.(1), 326.b.(1), 604.d., and 706., for its oil and gas operations at the Church Ranch #1W Well (API No. 05-059-06026), located in the NW¼ SW¼ of Section 9, Township 2 South, Range 70 West, 6th P.M.

Cause No. 1V, Docket No. 1011-OV-16, Jefferson County
Staff Recommendation

Subject: Request for an Order Finding Violation against Provide Oil & Gas, Inc. for violations of Rules 205.a., 206., 301., 309., 706., 1002.d., 1002.e.(1), 1003.b., 1003.e.(2), and 1003.f., for its oil and gas operations at the State 16-4 #1 Well (API No. 05-059-06024), located in the NW¼ NW¼ of Section 16, Township 2 South, Range 70 West, 6th P.M.

⌚ 12:30 p.m.

Lunch/Executive Session

- BP American Production and Lois Hood, Docket No. 1010-UP-57
- Colorado Petroleum Association Request for Rule Making
- GDC v. Black

HEARING MATTERS, CONTINUED

⌚ 1:30 p.m.

Cause No. 1, Docket No. 1010-GA-18, Yuma County

Applicant: Yuma County
Attorneys: Michael K. Grinnan

Subject: Request for Commission hearing to seek an exemption from Rule 804. for all lands within its boundaries. The County is only requesting an exemption from the September 1, 2010 requirement.

Comments: Continued from the October hearing.

⌚ 2:00 p.m.

Cause No. 112, Docket No.1010-UP-57, Ignacio-Blanco Field, La Plata County

Applicant: BP American Production and Lois Hood
Attorneys: Thomas W. Niebrugge/Jeffery P. Robbins

Subject: Request to involuntarily pool all nonconsenting interests in the drilling and spacing unit consisting of Section 1U and the N½ of Section 12U, Township 34 North, Range 7 West, N.M.P.M. (S.U.L.) for the development and operation of the Fruitland coal seams.

Protestant: Samson Resources Company
Attorney: Scott M. Campbell/Jeremy I. Ferrin

Comments: On October 14, 2010, a Prehearing Conference was held, and the Hearing Officer set a briefing schedule and continued the matter to the November hearing. A second Prehearing Conference is scheduled for November 24, 2010.

⌚ 3:00 p.m.

Cause No. 1E, Docket No. 1010-GA-20,Mesa County
Staff Recommendation

Subject: Emergency request to approve the expenditure of additional monies (\$180,000) from the Conservation and Environmental Response Fund to plug two orphaned wells that are leaking fluid to the surface and are associated with landowner complaints.

⌚ 3:30 p.m.

Cause No. 1, Docket No. 1010-GA-21, Garfield County

Applicant: Prathers et al.
Attorney: Richard Djokic
Subject: Expedited hearing pursuant to the terms of the Administrative Order by Consent (Order No. 1V-350). Prathers seek

Commission review of Williams' proposed Monitoring and Mitigation Workplan (MMP).

Comments: Staff supports Williams' proposed MMP & Williams has provided a letter stating it stands by the MMP.

⌚ TBD

Hearing Adjourns

CONTINUED AND WITHDRAWN MATTERS

Cause No. 1, Docket No. 0809-GA-01, Adams County

Applicant: Colorado Board of Parks and Outdoor Recreation

Attorney: Timothy J. Monahan

Subject: Request for an order to designate Barr Lake State Park as a Designated Outside Activity Area.

Protestants: James Alexander, Alexander Energy Company, HRM Resources, Texas American Resources Company and Sovereign Energy LLC.

Attorney: Stephen J. Sullivan

Protestant: Noble Energy, Inc.

Attorneys: Michael J. Wozniak/Andrew A. Bremner

Protestant: Anadarko Petroleum Corporation

Attorneys: John R. Jacus/Sam G. Niebrugge

Comments: A prehearing conference was held on September 3, 2008. Settlement negotiations are proceeding. A status conference was held September 20, 2010. Settlement negotiations are proceeding.

Cause No. 112, Docket No. 1007-AW-07, Ignacio-Blanco Field, La Plata County

Applicant: Pablo Operating Company

Attorneys: Michael J. Wozniak/Jamie L. Jost

Subject: Request for an order to allow up to four wells per 320-acre standup drilling and spacing unit, with the permitted well to be located no closer than 600 feet from the unit boundary, for Section 27, Township 33 North, Range 8 West, 6th N.M.P.M., for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Intervenor: La Plata County

Attorney: Paul D. Kosnik

Comments: Continued to the January 2011 hearing.

Cause No. 1, Docket No. 1009-GA-12, Statewide

Applicant: Colorado Petroleum Association

Attorneys: John Paul Seman Jr./Nick A. Swartzendruber/
Scott M. Campbell

Subject: The Oil and Gas Conservation Commission has set a hearing to consider an application to amend Rule 905.b.(3)A. Continued to the November hearing.

Comments: Continued to the January hearing.

Cause No. 191, Docket No.1010-SP-37, Mamm Creek Field, Garfield County

Applicant: Antero Resources Piceance Corporation
Attorney: Williams A. Keefe

Subject: Request to establish an approximate 640-acre drilling and spacing unit consisting of Section 31, Township 5 South, Range 91 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, and to optionally allow one well per 10 acres. Prehearing conference is scheduled for November 23, 2010.

Intervenor: Board of County Commissioners of Garfield County
Attorney: Cassandra Coleman

510 Statements: Robert Regulski
Attorney: Robert C. Gavrell

510 Statements: Nine additional statements.

Comments: Continued from the October hearing. CDPHE has reviewed the application and recommends granting the application. Based on mutual agreement of the parties, the matter was continued to the January 2011 hearing.

Cause No. 407, Docket No. 1010-UP-58 , Wattenberg Field, Weld County

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

Subject: Request for an order to establish a 160-acre drilling and spacing unit consisting of the SW $\frac{1}{4}$ of Section 2, Township 4 North, Range 67 West, 6th P.M., for the production of oil and gas and associated hydrocarbons from the Codell and Niobrara Formations from the Coulson 2-53 Well, and to pool all nonconsenting owners in the proposed unit; and to pool all nonconsenting owners in the established 80-acre drilling and spacing unit, consisting of the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 2, for the development and operation of the Codell and Niobrara Formations including production from the Coulson 2-13 and Coulson 2-14 Wells; and pool all non-consenting owners in the established 80-acre drilling and spacing unit, consisting of the E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 2, for the development and operation of the Codell and Niobrara Formations including the production from the Coulson 2-23 and Coufal 2-24 Wells.

Protestant: Colorado Community Bank
Attorneys: Joseph A. Murr/Daniel P. Delaney

Comments: Prehearing conference scheduled for November 23, 2010. Continued to the January 2011 hearing.

Cause No. 191, Docket No. 1007-UP-47, Mamm Creek Field, Garfield County

Applicant: Bill Barrett Corporation
Attorney: William A. Keefe

Subject: Request for an order to pool all nonconsenting interests in the established 640-acre drilling and spacing unit consisting of Section 36, Township 6 North, Range 91 West, 6th P.M., to accommodate the Hilton 36-21D Well, for the development and operation of the Williams Fork and Iles Formations.

510 Statements: Donald T. McBurney, Jerry McBurney, Pat McBurney, Sharon Gibson, George H. Boulton, Annalee Boulton, National Association of Royalty Owners.

Protestant: Gene R. and Mary J. Hilton
Attorney: Cynthia L. Bargell

Comments: Second pre-hearing conference held August 5, 2010. Hearing officer continued the matter to the September hearing because of Protestants' application to vacate 640-acre drilling and spacing unit. Application withdrawn.

Cause No. 407, Docket No.1011-UP-61, Wattenberg Field, Logan County

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

Subject: Request to pool all nonconsenting interests for a designated 160-acre drilling and spacing unit for the SW¼ of Section 31, Township 7 North, Range 63 West, 6th P.M., to accommodate the Heinze #31-53 Well.

Comments: Application withdrawn.