Attachment A
Proposed Amendments Related to Greater Wattenberg Rule

1. Amendment of Definitions (100 Series) to include the addition of the following definition (in the appropriate alphabetical order):

Definitions (100 Series)

HORIZONTAL WELL – SHALL MEAN A WELL WHICH IS DRILLED IN SUCH A WAY THAT THE WELLBORE DEVIATES LATERALLY TO AN APPROXIMATE HORIZONTAL ORIENTATION WITHIN THE TARGET FORMATION WITH THE LENGTH OF THE HORIZONTAL COMPONENT OF THE WELLBORE EXTENDING AT LEAST ONE HUNDRED FEET (100') IN THE TARGET FORMATION, MEASURED FROM THE INITIAL POINT OF PENETRATION INTO THE TARGET FORMATION THROUGH THE TERMINUS OF THE HORIZONTAL COMPONENT OF THE WELLBORE IN THE SAME COMMON SOURCE OF HYDROCARBON SUPPLY.

2. Amendment to 318A a. (4) (C) to read as follows:

C. Unspaced areas and wellbore spacing units. When completing a GWA well to an unspaced formation, the operator shall designate a drilling and spacing unit not smaller than a governmental quarter-quarter section if such well is proposed to be located greater than four hundred sixty (460) feet from the quarter-quarter section boundary in which it is located. If a well is proposed to be located less than four hundred sixty (460) feet from the governmental quarter-quarter section boundary, a wellbore spacing unit ("wellbore spacing unit") for such well shall be comprised ~~of the four (4)~~ **THE** governmental quarter-quarter sections ~~nearest to the~~ **THAT ARE LOCATED LESS THAN FOUR HUNDRED SIXTY (460) FEET FROM THE** wellbore regardless of section or quarter

3. Amendment to 318A a. (4) to include a new paragraph (D) to read as follows:

D. HORIZONTAL GWA WELL. A HORIZONTAL WELLBORE SPACING UNIT SHALL BE DESIGNATED BY THE OPERATOR FOR EACH PROPOSED HORIZONTAL WELL. THE HORIZONTAL WELLBORE SPACING UNIT MAY BE OF DIFFERENT SIZES AND CONFIGURATIONS DEPENDING ON LATERAL LENGTH AND ORIENTATION BUT SHALL BE COMPRISED OF THE GOVERNMENTAL QUARTER-QUARTER SECTIONS IN WHICH THE WELLBORE LATERAL PENETRATES THE PRODUCTIVE FORMATION AS WELL AS ANY GOVERNMENTAL QUARTER-QUARTER SECTIONS THAT ARE LOCATED LESS THAN 460 FEET FROM THE PORTION OF THE WELLBORE LATERAL THAT PENETRATES THE PRODUCTIVE ZONE REGARDLESS OF SECTION OR QUARTER SECTION LINES. HOWEVER, IF THE HORIZONTAL COMPONENT OF THE HORIZONTAL WELLBORE IS LOCATED ENTIRELY WITHIN A GWA WINDOW, THE OPERATOR SHALL DESIGNATE A DRILLING AND SPACING UNIT IN ACCORDANCE WITH SUBSECTIONS A.(4)A. AND A.(4)B. OF THIS RULE. A WELLBORE SPACING UNIT MAY OVERLAP PORTIONS OF ANOTHER WELLBORE SPACING UNIT DESIGNATED FOR A DIFFERENT HORIZONTAL WELL OR VERTICAL WELL. GWA HORIZONTAL WELLS AND HORIZONTAL WELLBORE

SPACING UNITS SHALL BE SUBJECT TO THE NOTICE AND HEARING PROCEDURES AS PROVIDED FOR IN 318A.E.(6).

4. Deletion of the introductory Language of 318A e as follows:

e. GWA infill**.** ~~This subsection applies to the following area of the GWA: Township 1 North, Ranges 66 West through 68 West; Township 1 North, Range 69 West: E½; Township 2 North, Ranges 64 West through 68 West; Township 2 North, Range 69 West: E½; Township 3 North, Ranges 64 West through 67 West; Township 4 North, Ranges 63 through 67 West; Township 5 North, Ranges 63 West through 67 West; Township 6 North, Ranges 63 West through 66 West, 6th P.M.~~

5. Amendment to Rule 318A e. (4) (Water well sampling) as follows:

(4) Water well sampling. The Director shall require initial baseline testing prior to the first ~~interior infill well or boundary~~ well ~~("proposed GWA infill well") drilled~~ PROPOSED within a governmental section. The following shall be used as guidance for the Director in establishing initial baseline testing:

A. Within the governmental quarter section of the proposed ~~GWA infill~~ well, the closest water well ("water quality testing well") completed in the Laramie/Fox Hills Aquifer shall be sampled.

B. If no Laramie/Fox Hills water wells are located within the governmental quarter section, then the deepest representative water quality testing well within the governmental quarter section of the proposed ~~GWA infill~~ well shall be sampled.

C. If no water wells are located within the governmental quarter section, a water quality testing well (preferably completed in the Laramie/Fox Hills Aquifer) within one-half (½) mile of the proposed ~~GWA infill~~ well shall be selected.

[Paragraphs D through G remain unchanged]

6. Amendment to Rule 318A e. (6) as follows:

(6) Notice and hearing procedures. For proposed boundary wells, wellbore spacing units, and additional producing formations provided by this subsection e., **AND FOR PROPOSED HORIZONTAL WELLS AND HORIZONTAL WELLBORE SPACING UNITS AS PROVIDED BY 318A.A.(4)D.,** the following process shall apply:

A. Notice shall be given by certified mail by the operator of a proposed boundary well**,** ~~or~~ wellbore spacing unit**, HORIZONTAL WELL OR HORIZONTAL WELLBORE SPACING UNIT** to all owners in the proposed wellbore spacing unit. Notice shall be given by certified mail by the operator of a proposed additional producing formation to

all owners in cornering and contiguous spacing units of the requested completion and the proposed spacing unit; if the additional producing formation is unspaced only the owner in the proposed spacing unit needs to be notified. **NOTICE FOR A BOUNDARY WELL, WELLBORE SPACING UNIT, HORIZONTAL WELL OR HORIZONTAL WELLBORE SPACING UNIT SHALL INCLUDE A DESCRIPTION OF THE WELLBORE ORIENTATION, THE ANTICIPATED SPUD DATE, THE SIZE AND SHAPE OF THE PROPOSED WELLBORE SPACING UNIT (WITH DEPICTION ATTACHED), THE PROPOSED SURFACE AND BOTTOMHOLE LOCATIONS, IDENTIFIED BY FOOTAGE DESCRIPTIONS, AND THE SURVEY PLAT. FOR PROPOSED HORIZONTAL WELLS AND HORIZONTAL WELLBORE SPACING UNITS, THE OPERATOR SHALL ALSO IDENTIFY BY FOOTAGE DESCRIPTIONS, THE LOCATION AT WHICH THE WELLBORE PENETRATES THE TARGET FORMATION.**

B. Each owner shall have a twenty (20) day period after receipt of such notice to object in writing to the operator**.** ~~to such well location, proposed spacing unit, or additional producing formation. If a timely objection is received, the matter shall be set on the docket at the next available Commission hearing. Absent receipt of an objection by the operator from an owner within such twenty (20) day period, the Director may administratively approve the boundary well, wellbore spacing unit, or additional producing formation, provided that it does not exceed eight (8) producing completions in the "J" Sand, Codell or Niobrara Formations in the 160 acre governmental quarter section as set forth in subsection f. below. A location plat evidencing the well location, wellbore spacing unit, or additional producing formation and applicable spacing unit shall be submitted to the Director together with copies of any surface waivers and a certification that no timely objections were received. An Application for Permit-to-Drill, Form 2, specifically identifying that a boundary well, a wellbore spacing unit, or an additional producing formation is proposed, shall also be filed with the Director in accordance with Rule 303.~~ **THE WRITTEN OBJECTION MUST BE BASED UPON A CLAIM THAT THE NOTICE PROVIDED BY THE OPERATOR DOES NOT COMPLY WITH THE INFORMATIONAL REQUIREMENTS OF SUBSECTION A ABOVE AND/OR A TECHNICAL OBJECTION THAT EITHER WASTE WILL BE CAUSED, CORRELATIVE RIGHTS WILL BE ADVERSELY AFFECTED, OR THAT OPERATOR IS NOT AN "OWNER", AS DEFINED IN THE ACT, OF THE MINERAL ESTATE(S) THROUGH WHICH THE WELLBORE PENETRATES WITHIN THE TARGET FORMATION. SPECIFIC FACTS MUST FORM THE BASIS FOR SUCH OBJECTION. THE OBJECTING PARTY SHALL PROVIDE A COPY OF THE WRITTEN OBJECTION TO THE DIRECTOR.**

C. IF AN OBJECTION PURSUANT TO SUBSECTION B IS TIMELY RECEIVED, THE OPERATOR MAY SEEK A HEARING BEFORE THE COMMISSION ON THE OBJECTION. THE OBJECTING PARTY WILL BEAR THE BURDEN OF PROVING THAT THE NOTICE PROVIDED BY THE OPERATOR DOES NOT COMPLY WITH THE INFORMATIONAL REQUIREMENTS OF SUBSECTION A ABOVE, THAT THE OPERATOR IS NOT AN OWNER, AS DEFINED BY THE ACT, AND/OR THE APPROVAL OF THE BOUNDARY WELL LOCATION, WELLBORE SPACING UNIT, HORIZONTAL WELL, HORIZONTAL WELLBORE SPACING UNIT OR ADDITIONAL PRODUCING FORMATION WOULD EITHER CREATE WASTE OR ADVERSELY AFFECT THE OBJECTING PARTY'S CORRELATIVE RIGHTS. THE OBJECTION MAY BE FIRST PRESENTED TO THE HEARING OFFICER OF THE COMMISSION AND SUCH HEARING

OFFICER, BASED ON THE FACTS, MAY RECOMMEND TO THE COMMISSION THAT SUCH OBJECTION SHALL STAND OR BE DISMISSED.

D. IF THE OBJECTION STANDS, THE COMMISSION MAY EITHER ENTER AN ORDER APPROVING OR DENYING THE PROPOSED BOUNDARY WELL LOCATION, WELLBORE SPACING UNIT, HORIZONTAL WELL LOCATION, HORIZONTAL WELLBORE SPACING UNIT OR ADDITIONAL PRODUCING FORMATION, WITH OR WITHOUT CONDITIONS. SUCH CONDITIONS MAY BE REQUISITES FOR THE APPLICATION FOR PERMIT-TO-DRILL, FORM 2, IF OPERATOR CHOOSES TO PROCEED WITH AN APPLICATION FOR PERMIT-TO-DRILL, FORM 2, RELATIVE TO THE PROPOSED BOUNDARY WELL, WELLBORE SPACING UNIT, HORIZONTAL WELL, HORIZONTAL WELLBORE SPACING UNIT OR ADDITIONAL PRODUCING FORMATION.. IF THE OBJECTION IS DISMISSED, THE OPERATOR SHALL TREAT THE OBJECTION AS WITHDRAWN AND OTHERWISE PROCEED UNDER SUBSECTION E BELOW.

E. ABSENT RECEIPT OF A TIMELY OBJECTION PURSUANT TO SUBSECTIONS A AND B ABOVE, THE DIRECTOR MAY ADMINISTRATIVELY APPROVE THE BOUNDARY WELL, WELLBORE SPACING UNIT, HORIZONTAL WELL, HORIZONTAL WELLBORE SPACING UNIT OR ADDITIONAL PRODUCING FORMATION. A LOCATION PLAT EVIDENCING THE WELL LOCATION, WELLBORE SPACING UNIT, OR ADDITIONAL PRODUCING FORMATION AND APPLICABLE SPACING UNIT SHALL BE SUBMITTED TO THE DIRECTOR TOGETHER WITH COPIES OF ANY SURFACE WAIVERS AND A CERTIFICATION THAT NO TIMELY OBJECTIONS WERE RECEIVED. AN APPLICATION FOR PERMIT-TO-DRILL, FORM 2, SPECIFICALLY IDENTIFYING THAT A BOUNDARY WELL, A WELLBORE SPACING UNIT, HORIZONTAL WELL, HORIZONTAL WELLBORE SPACING UNIT, OR AN ADDITIONAL PRODUCING FORMATION IS PROPOSED, SHALL ALSO BE FILED WITH THE DIRECTOR IN ACCORDANCE WITH RULE 303 WITHIN NINETY (90) DAYS OF THE EXPIRATION OF THE TWENTY (20) DAY NOTICE PERIOD OR SUCH NOTICE SHALL BE DEEMED WITHDRAWN. SHOULD SUCH NOTICE BE WITHDRAWN OR BE DEEMED WITHDRAWN, THE PROPOSING OPERATOR SHALL NOT SUBMIT ANOTHER NOTICE FOR THE SAME WELL OR WELLBORE SPACING UNIT WITHIN FORTY-FIVE (45) DAYS OF THE DATE THE ORIGINAL NOTICE IS WITHDRAWN OR DEEMED WITHDRAWN.

7. Deletion of Rule 318A e. (7) as follows:

~~(7) The Commission shall review the effectiveness of this subsection e. no later than March 1, 2008 and may require operators to submit data related to infill drilling performed under this subsection.~~

8. Amendment of Rule 318A f. as follows:

f. Limit on locations. This rule does not limit the number of formations that may be completed in any GWA drilling and spacing unit nor, subject to subsection c., above, does it limit the number of wells that may be located within the GWA windows. ~~However, absent Commission order otherwise, there shall be no more than eight (8) producing completions in the "J" Sand, Codell or Niobrara Formations in any 160 acre governmental quarter section.~~

9. Insertion of a new paragraph h before the former paragraph h of Rule 318A h. and compensating re-lettering of subsequent lettered paragraphs h through k as follows:

h. WASTE MANAGEMENT. IN CONJUNCTION WITH FILING AN OIL AND GAS LOCATION ASSESSMENT, FORM 2A, THE OPERATOR SHALL INCLUDE A WASTE MANAGEMENT PLAN MEETING THE GENERAL REQUIREMENTS OF RULE 907.A.

Former paragraph “h” re-lettered to “i”.

Former paragraph “i” re-lettered to “j”.

Former paragraph “j” re-lettered to “k”.

Former paragraph “k” re-lettered to “l”.