

October 25, 2004

The Oil and Gas Conservation Commission met on October 25, 2004 at 9:07 a.m. in Suite 801, The Chancery Building, 1120 Lincoln Street, Denver, Colorado, for a hearing.

Those present were:

Peter Mueller	Chair
Brian Cree	Vice Chair
John Ashby	Commissioner
Kimberlee Gerhardt	Commissioner
Tom Reagan	Commissioner
Mike Klish (via telephone)	Commissioner
Carol Harmon	Assistant Attorney General
Brian Macke	Director
Patricia Beaver	Hearings Manager

The Commission unanimously approved the minutes from the August hearing without Brian Cree and Kimberlee Gerhardt who were not present at the August hearing.

The Commission unanimously approved the minutes from the September hearing without Tom Reagan who was not present at the September hearing.

Executive Director's Report: There was no Executive Director's report this hearing.

Director's Report: Director Macke provided a written report and stated that the COGCC is still predicting a high number of APDs for this calendar year at 2700 or 2750.

The Northwest Oil and Gas Forum will be held November 18, 2004 at the Garfield County Fairgrounds in the new indoor arena meeting facility. Any Commissioner who wishes to attend is invited. Items include presentation by Garfield County on its hydrogeologic study project proposal, along with typical updates of activity from COGCC, BLM, etc.

An update on the West Divide Creek seep indicated a total number of ground watering monitoring wells at 32 near gas seep. The parties have all agreed to a continuance of the public project discussion to the November hearing. The Dietrich Well has Williams Fork Formation gas present. An NOAV has been issued for this well. Bradenhead pressures have been a problem at the Albany well pad. The Schwartz Well has also developed a bradenhead pressure problem.

Director Macke attended the GORT and 3M technical meetings in Durango on October 8th and 7th in an effort to get reacquainted with the stakeholders in the area. COGCC staff will review all Commission Orders and create a list of conditions of approval to be reviewed and possibly updated and/or revised. The 3M Technical Committee plan for proceeding will include a summary of money spend to date.

Staff Organization: New administrative assistant Angie Gipson will start November 1st. The long range plan process is continuing with the hope that the current vacant positions can be filled soon.

The survey plats submitted with APDs have greatly improved since the new policy was put into place. Allowing an additional month for operators to come into compliance was beneficial.

Director Macke will attend a Club 20 meeting on Wednesday October 27th. Director Macke also attended an IOGCC meeting in Oklahoma City October 17th to 19th. It was noted that having Director Macke at those meetings was helpful, especially for the Council of State Regulatory Officials session.

Two variances were granted to ExxonMobil Corporation for cementing requirements and one variance was granted to ExxonMobil for increased well density from one pad as a pilot project.

The EPA Site Assessment Technical Review on the Leyden Gas Storage Facility has been performed and the final report was provided last Friday. The Commissioners will receive a copy of the cover letter attached to report. The Commissioners would like to know what volume Xcel expects will fill the void.

Progress is being made on putting a stakeholder group together to review COGCC noise regulations. Members have been identified and a meeting will occur as soon as a date can be agreed upon. The group will be comprised of eleven members plus two COGCC staff with members from county government and the environmental and agricultural sectors. It is hoped that one meeting can be set up at the end of November and another meeting scheduled.

Assistant Attorney General's Report: AAG Harmon provided a confidential memo. She would like an executive session to discuss the Allen Oil and Gas settlement offer. A motion to go into executive session was approved unanimously. AAG Harmon attended the Council of State Oil and Gas Attorneys at the recent IOGCC meeting and stated that participation in this group has been very helpful to her.

Commissioner Comments: Commissioner Mueller thanked Director Macke and the rest of his team for their public outreach. Commissioner Ashby asked for a count of wells currently producing at Cathedral Bluffs.

Audience Comments: Greg Schnacke, COGA, congratulated Kimberlee Gerhardt and Brian Macke and expressed his sadness about Commissioner Shook. All Commissioners are invited to COGA's 20th Anniversary meeting on November 16th. He appreciates the opportunity to participate on the noise task force. He also stated his disappointment with how the hydraulic fracturing issue was handled recently in the media.

The discussion on projects proposed under Order No. 1V-276 was continued to the November hearing.

Cause No. 1, Docket No. 0408-GA-05, request for an order requiring Patina Oil & Gas Corporation to plug and abandon the Huron "H" Unit No. 1 Well, located in the SW¹/₄ SW¹/₄ of section 15, Township 1 South, Range 68 West, 6th P.M. was withdrawn.

Cause No. 112, Docket No. 0302-UP-01, request to respond to the pending motions to dismiss the previously filed pooling application and discovery requests was continued to November hearing.

Cause No. 112, Docket No. 0407-UP-04, request for an order to pool all non-consenting owners in the E¹/₂ of Section 9, Township 34 North, Range 9 West, N.M.P.M. for the University 9-1 Well was continued to November.

Cause No. 509, Docket No. 0407-SP-09, request to rescind the 320-acre drilling and spacing units in Sections 25-28 and 33-36, Township 16 South, Range 46 West, 6th P.M. and to allow the lands to be developed pursuant to COGCC Rule 318. was continued to November.

Cause No. IV, Docket No. 0409-OV-31, request for an order finding Richmond Petroleum in violation of Rule 1004., failure to reclaim the surface location at the Gosney 33-7 No. 1 Well located in the SW¹/₄ of Section 10, Township 33, Range 7 West, N.M.P.M. was continued to January.

Cause No. IV, Docket No. 0410-33, request for an order finding Encana Oil & Gas (USA) Inc. in violation of Rule 303.a.1., Rule 308A., Rule 308B., Rule 312. and Rule 317.c., failure to obtain Director's approval before commencement of operations with heavy equipment, not submitting the Drilling Completion Report within 30 days of setting production casing, not submitting the Completed Interval Report within 30 days of completing a formation, not submitting a Certification of Clearance within 30 days of initial sales of oil or gas, and not posting the APD at the rig for the Shideler #32-4C1

(H31) Well located in the SE¼ NE¼ of Section 31, Township 7 South, Range 92 West 6th P.M. was continued to November.

Cause No. IV, Docket No. 0410-32, request for an order finding Wallace Oil and Gas in violation of Rule 326.b., and 603.j., failure to perform a mechanical integrity test within two (2) years of being shut-in and failure to maintain well sites for the Newman No. 1-7 Well, the Watkins No. 1 Well and the Hume No. 17-1 Well located in various sections in Township 32 South Range 41 West, 6th P.M. was continued to November.

Director Brian Macke led a discussion on ideas about filling the two vacant positions.

The meeting adjourned at 1:15 p.m.

Patricia C. Beaver, Secretary

Approved:

Peter M. Mueller, Chair