

RECORD OF PROCEEDINGS

Leaves 100

April 24, 2006

The Oil and Gas Conservation Commission met on April 24, at 9:06 a.m. in Suite 801, The Chancery Building, 1120 Lincoln Street, Denver, Colorado, for a hearing to Cause Nos. 1, 112 (2 matters), 139 (4 matters), 143, 191 (2 matters), 440 (2 matters), 479, 495 and 510 (3 matters).

Those present were:

Peter Mueller	Chair
Brian Cree	Vice Chair
John Ashby	Commissioner
Kimberlee Gerhardt	Commissioner
Michael Klish	Commissioner
Samuel Potter	Commissioner
Tom Reagan	Commissioner
Carol Harmon	Assistant Attorney General
Brian Macke	Director
Patricia Beaver	Hearings Manager

Executive Director’s Report: Mike King, Assistant Director for the Department of Natural Resources (“DNR”) stated that things are moving forward on oil shale issues and DNR is expecting permits for exploratory oil shale soon. In August, companies interested in oil shale will be before the Mined Land Reclamation Board (“MLRB”) which believes it is currently staffed to handle the anticipated work load. The Little Snake Resource Plan for northwest Colorado is being finalized. The Roadless Taskforce has broken into subgroups, with DNR Executive Director Russell George as chair for the coal, oil and gas subgroup. Mr. George believes that the leased areas may be able to be approached like the Roan Plateau. The oil and gas portion is anticipated to be presented to the entire taskforce in late May.

Director’s Report: Director Macke stated that statistics show that as of April 23, 2006 COGCC can expect approximately four thousand seven hundred (4,700) Applications for Permits-to-Drill (APDs) for this year, with eighty-eight (88) rigs currently running in the state. He pointed out the breakdown of APDs issued under a surface use agreement versus a surface damage bond.

Northwest Colorado: The next meeting of the Northwest Colorado Oil and Gas Forum has been scheduled for Thursday, June 15, 2006 from 10:00 a.m. until 2:00 p.m. at the Garfield County fairgrounds in Rifle.

EnCana continues to sample The West Divide Creek Gas Seep with no benzene, toluene, ethylbenzene, and xylenes (BTEX) detected except near the creek.

The Phase IV Piceance Basin Baseline Water Quality Study will begin in May with completion in December, 2006.

The Local Project Status on Phase I of the Hydrogeologic Characterization of the Mamm Creek Field Area in Garfield County was presented by Mark Levorsen at the March hearing. Phase II is being worked on and Garfield County has asked for a 30 day extension to provide proposals for the project.

The Lone Pine Field surface water spill in Jackson County and the oil released from the abandoned flowline are being addressed by the operator and the Water Quality Control Division (“WQCD”).

## RECORD OF PROCEEDINGS

Leaves 100

Southwest Colorado: Comments are currently being received on the Coalbed Methane Stream Depletion Assessment Study and a presentation will be made in Durango on June 27, 2006. A presentation will be subsequently made to the Commission, possibly at the July hearing. The 2005 Fruitland Outcrop Monitoring Report shows higher methane concentrations than previously reported in historically active seep areas.

In the Bondad area, we are planning to get surface casing in the well with one contractor before Aztec Well Services will be able to proceed to plug the Bryce I-X Well, with work hopefully beginning in May.

The next Gas and Regulatory Team ("GORT") meeting will be held September 7, 2006.

Northeast Colorado: Another baseline water quality study is planned for the Greater Wattenberg Area to be completed by September 2006.

COGCC Environmental Protection Specialist Bob Chesson made a field trip to the Wellington Field Water Treatment Project which he will give a brief overview on during the Commission's lunch break today.

The Bradenhead Retest Program is underway in the Greater Wattenberg Area with the compiled information to be used to design a bradenhead testing program. The project will also identify surface casing that is not covering the Fox Hills aquifer.

The Energy Expo hosted by EnCana will be held on May 3, 2006, in Garfield County. This Expo has proven to be an extremely successful way to provide education and outreach to citizens in an active oil and gas area.

A Notice to Operators regarding setting conductor pipe for multi pad wells prior to issuing an APD, has been established. There must be at least one well on the pad with an approved APD and other reporting requirements are also included in the Notice.

Produced water workshops were held in Fort Collins on April 4<sup>th</sup> and 5<sup>th</sup> and were attended by COGCC staff members Director Macke, Randall Ferguson, Margaret Ash and Steve Lindblom.

The noise data collection project is underway with all COGCC field inspectors measuring noise levels at representative well sites and compressor stations throughout the state. The field inspectors will gather data for four months and should provide the COGCC with approximately 400 data points. COGCC field inspectors have performed approximately 80 site surveys as of April 24, 2006. The analyzing and correlating of the noise level data will be performed by Denver office staff.

Governor Owens has signed SB06-142, which increases the cap on the two-year average of the unobligated portion of the Oil and Gas Conservation and Environmental Fund from two million dollars (\$2,000,000.00) to four million dollars (\$4,000,000.00).

Staff Organization: Larry Robbins will be retiring at the end of June. He has been with the Commission for over 20 years and will be greatly missed.

The deadline for the 10<sup>th</sup> anniversary of the Outstanding Operations Awards submittals is June 1<sup>st</sup>.

Onsite inspection requests have totaled 40 since February 15, 2005 when the policy was initiated.

A variance was granted to Garfield County for a request to have 30 additional days to suggest public projects for Phase II of the local projects. A Rule 502.b. variance was granted to EnCana for the Benzel 36-1A (API 045-12197-00) Well, located in the SE¼ NE¼ of Section 36, Township 6 South,

## RECORD OF PROCEEDINGS

Leaves 100

Range 93 West, 6<sup>th</sup> P.M. The well is permitted 30 feet from the nearest lease line. EnCana secured waivers from 77% of the leaseholder owners. A Rule 502.b. variance was granted to Williams Production Company, LLC for the Bondad 33-9 #54 Well in the NW $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 31, Township 33 North, Range 9 West, N.M.P.M. The location is 540 feet west of the Mesaverde Formation drilling window prescribed in Order No. 112-46.

Assistant Attorney General's Report: AAG Harmon provided a confidential Litigation Memorandum and reported that Monument Oil and Gas has timely filed a request to the Colorado Supreme Court for review of the lower court's decision and the COGCC has filed an objection. Allen Oil and Gas now has a new attorney and the district court has requested a status conference with the parties. In the Greater Wattenberg Area appeal, the plaintiffs are asking for judicial review of the Rule 318A. revisions, and the defendants (COGCC and the operators) have asked for a continuance to May 19, 2006 to file their responses.

Commissioner Comments: Chair Mueller complimented the COGCC staff for its level of activity during these record setting times. He also mentioned his, Commissioner Klish and Commissioner Reagan's terms, which expire July 1, 2006. Commissioner Gerhardt thanked Debbie Baldwin and Dave Dillon on their work at Bondad and on the Coalbed Methane Stream Depletion Study. Commissioner Ashby made a motion to have the survey rules and the stormwater rules revisited at the September hearing when the noise rules are being reconsidered. Commissioner Ashby estimates that twenty-five million dollars (\$25,000,000) will be expended by operators to provide as-built locations. Commissioner Potter seconded the motion to allow discussion. Chair Mueller agrees with the stormwater rules being revisited. Commissioner Gerhardt also agrees regarding the stormwater rules but does not want to change the survey rules. Commissioner Reagan would like to hear from all the operators on the stormwater rules before eliminating them as he does not want duplicity on this issue. Chair Mueller would like to give Director Macke and Assistant Attorney General Harmon time to work with WQCD and the Commission to make sure all issues are addressed. Commissioner Klish agrees that the stormwater rules should be revisited but pointed out that the COGCC has more staff in the field than the WQCD. Commissioner Klish is not sure that the survey rules need to be revisited. Commissioner Reagan believes there needs to be a balance between cost and safety, since there can not be another Bondad or West Divide Creek Gas Seep.

Director Macke stated the WQCD has elected to maintain its authority over sites regarding stormwater issues. He wants to make sure that the public understands that duplication should be addressed and eliminated.

A motion was made by Commissioner Ashby to reopen the stormwater and surveying rules, seconded by Vice Chair Cree. Commissioner Potter will abstain. Commissioner Reagan, Commissioner Ashby and Vice Chair Cree voted to approve the motion while Commissioner Gerhardt, Commissioner Klish and Chair Mueller voted to deny the motion. The motion to hear both matters did not carry.

A motion was made by Commissioner Ashby to reconsider the stormwater rules, seconded by Chair Mueller, approved by all except Commissioner Potter who abstained.

Jim Walker, Petroleum Development Company, stated that he has had problems complying with the surveying rules. He stated that the cost to resurvey an as-built location is approximately four hundred dollars (\$400.00) and a Global Positioning Satellite ("GPS") survey costs approximately four thousand five hundred dollars (\$4500.00), making this rule a burden for small operators.

Vice Chair Cree is willing to work to establish language for a policy to be considered addressing the surveying rule regarding as-built locations with Commissioner Ashby, Chair Mueller, Commissioner Reagan and Director Macke involved. Director Macke will develop the criteria.

## RECORD OF PROCEEDINGS

Leaves 100

Williams Production RMT Company ("Williams") made a presentation, providing an overview of geologic and engineering data supporting increased density applications in the Piceance Basin. Bill Keefe, attorney for Williams stated that approximately fifty-seven thousand (57,000) acres have been approved for 10-acre density for Williams, and approximately eleven thousand two hundred (11,200) acres are on today's consent agenda for approval. He described the history of the Rulison Field spacing.

Geological data was presented by Jon Cantwell, Senior Staff Geoscientist for Williams, regarding the geologic model of the Williams Fork Formation, including surface and subsurface data and sand body measurements.

Leslie Evans, Senior Geoscientist for Williams, presented a description of the core program Williams implemented in 2005 which confirmed the geologic model.

Chad Odegard, Petroleum Engineer and Piceance Basin Team Leader for Williams, presented engineering data from the 10-acre pilot program, including fracture orientation data and pore pressure test data. His presentation indicated that minimal depletion has been measured and that the pressure data confirms the geologic model.

Greg Hueni, Senior Petroleum Engineer with MHA Petroleum Consultants working for Williams, presented production decline analysis in the Rulison, Grand Valley and Parachute Fields on 20-acre and 10-acre densities. His presentation indicated that between 64% and 86% of the production on 10-acre density is new reserves.

Mr. Odegard presented production comparisons in the three fields, gas-in-place estimates and benefits of early 10-acre density drilling. He concluded that production analysis also confirms the geologic model.

Consent Agenda: Chair Mueller asked if any Commissioners had a conflict of interest with any of the items on the consent agenda and Commissioner Reagan stated that he was a loan officer for Delta Petroleum ten (10) years ago. Commissioner Ashby stated that his brother is an employee of Noble Energy for the mid-continent area. Commissioner Klish stated that his company has contracts with some of the companies on the consent agenda but he has no direct contact. Commissioner Potter stated that he has a lease in place with Williams Production and that his son works for Williams. It was determined that no conflicts exist. A motion was made by Commissioner Reagan to approve the consent agenda, seconded by Commissioner Klish and approved unanimously for the adjudicatory items as follows:

Cause No. 143, Docket No. 0604-SP-19, request for an order to vacate certain lands in Township 7 South, Range 91 West, 6<sup>th</sup> P.M. from the provisions of Cause No. 143 and place the lands under the Rules and Regulations of the Commission, for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Cause No. 440, Docket No. 0604-SP-16, request to amend spacing and allow the equivalent of one well per 20 acres, with the permitted well to be located no closer than 200 feet from the unit boundary, for certain lands in Sections 15 and 22, Township 7 South, Range 95 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork/Iles Formations.

Cause Nos. 139 & 510, Docket No. 0604-SP-18, request for an order to establish 40-acre drilling and spacing units and allow increased density of up to four (4) wells, for certain lands in Township 7 South, Range 94 West, 6<sup>th</sup> P.M., Townships 7 and 8 South, Ranges 95 and 96 West, 6<sup>th</sup> P.M., with the permitted well to be located no closer than 200 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Williams Fork Formation.

## RECORD OF PROCEEDINGS

Leaves 100

Cause No. 1, Docket No. 0604-EX-04, request for an order to reduce the setback of wells located within the Vega Federal Exploratory Unit from 600 feet to 200 feet for certain lands in Townships 9 and 10 South, Range 93 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Cause No. 112, Docket No. 0604-EX-05, request for an order allowing an exception to the permitted location in Order No. 112-157, for a horizontal well to be located no closer than 660 feet from the boundaries of the E $\frac{1}{2}$  drilling and spacing unit and for the 130 foot setback to the interior quarter section on line to be eliminated for the Glover GU #2 Well in Section 2, Township 32 North, Range 6 West, N.M.P.M., for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Cause Nos. 139, 440, 479 & 510, Docket No. 0604-SP-20, request 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 6 South, Ranges 93 through 95 West, and Townships 6 and 7 South, Ranges 96 and 97 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Cause No. 139, Docket No. 0604-UP-05, request for an order to pool all non-consenting interests in the 640-acre drilling and spacing unit consisting of Section 12, Township 7 South, Range 95 West, 6<sup>th</sup> P.M., for the drilling and completion of the Diamond Elk PA 21-12, Diamond Elk PA 22-12, Diamond Elk PA 41-12 and Diamond Elk PA 42-12 wells, for the development and operation of the Williams Fork Formation.

Cause No. 510, Docket No. 0603-AW-06, 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 Townships 6 and 7 South, Ranges 96 and 97 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Cause No. 191, Docket No. 0604-SP-17, request for an order to establish 320-acre drilling and spacing units consisting of the S $\frac{1}{2}$  of Sections 15 and 17, and the N $\frac{1}{2}$  of Section 17, and to establish a 160-acre drilling and spacing unit consisting of the SW $\frac{1}{4}$  of Section 14, an 80-acre drilling and spacing unit consisting of the N $\frac{1}{2}$  SE $\frac{1}{4}$  of Section 14, and a 40-acre drilling and spacing unit consisting of the SW $\frac{1}{4}$  SE $\frac{1}{4}$  of Section 14, all in Township 6 South, Range 92 West, 6<sup>th</sup> P.M., and to allow the equivalent of one (1) 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 Formation.

A hearing was held on the application of EnCana Oil & Gas (USA) Inc. ("EnCana") in Cause No. 191, Docket No. 0603-GA-02, request for an order to allow drilling within the Moratorium Area established in Order No. 1V-276 for certain lands in Townships 6 and 7 South, Ranges 91 and 92 West, 6<sup>th</sup> P.M.

Erika Enger, attorney for EnCana stated that EnCana will show that the two (2) requirements prior to drilling in the moratorium area have been met.

Commissioner Klish mentioned again that his company has contracts, with EnCana in response to the conflicts question and no conflict of interest was determined.

A motion was made by Commissioner Ashby to allow Bill Barrett Corporation to intervene, seconded by Commissioner Potter and approved unanimously.

At the time of the hearing, the Commission heard testimony from Chris Williams, Environmental, Health and Safety Manager for EnCana, who described the mitigation work performed by EnCana subsequent to the discovery of the West Divide Creek Gas Seep, including the samples taken and

## RECORD OF PROCEEDINGS

Leaves 100

analyses results, the impacted ground water at the seep discharge area, the benzene plume before and after the installation of the remediation system, and the surface reclamation at the seep area. He testified that there have been no human health impacts from the seep, and that no water wells, creek, springs or ponds outside the discharge area were impacted by the seep. Mr. Williams testified that no BTEX constituents have been detected in West Divide Creek since April 2005, that there have been no impacts to aquatic life from the seep, that stream bubble intensity and length of affected reach continues to decrease, and that weekly sampling of the creek will continue to be conducted. In addition, he testified that all of the monitoring wells except two (2) show a decrease in benzene concentrations, that the remediation system has effectively stopped migration of the plume, and that the surface has been successfully reclaimed.

The Commission heard testimony from Joel Fox, Team Lead for the South Piceance, who described EnCana's drilling plans for 2006 and its belief on what caused the seep. He testified that EnCana proposes two (2) new drilling pads and plans to drill eighteen (18) new wells. Mr. Fox presented the definition of a seep from the Geology of Petroleum, by A.I. Levorsen, 1967, and described common petroleum seeps in general and illustrated the geology of the gas seep likely to have occurred at West Divide Creek. He testified that the Divide Creek seep and the fault network were likely formed more than 20 million years ago, that the Schwartz wellbore probably intercepted a fault somewhere in the lower Wasatch or upper Williams Fork Formations, that the cement job failed sometime between final placement and approximately four (4) hours after placement, and that gas from the Schwartz Well charged the fault and seep system.

The Commission heard testimony from Mike Dempsey, Geologist for EnCana, who testified that EnCana believes the area identified by COGCC staff for additional requirements is supported by the geology, that the Wasatch Formation sands are low quality and discontinuous due to fluvial origin, and that naturally occurring gas in the Wasatch Formation is responsible for minor mud log shows.

The Commission heard testimony from John Moran, Engineer for EnCana, who described EnCana's cementing practices prior to the July 23, 2004 Notice to Operators which established additional cementing and reporting requirements within Mamm Creek and Divide Creek Fields. He testified about hydrostatic pressure and cement properties, the Schwartz wellbore configuration, and the cementing and monitoring process currently in place. Mr. Moran testified that since the Notice to Operators and EnCana's new process have been in place, no seep incidents have occurred and two (2) wells out of two hundred thirty-one (231) have required follow up remedial cementing operations. In addition, he testified that bradenhead pressure is now reported daily during the drilling and completion phases, and monitored in real time during the production phase using remote communication systems. Further, Mr. Moran testified that the current processes would have prevented the seep and will continue to prevent similar incidents. He testified that EnCana has improved its operations since the West Divide Creek Gas Seep by increasing the number of employees on each rig, the type of employees, and the training of those employees.

The Commission heard testimony from Debbie Baldwin, Environmental Manager for the COGCC, who presented the staff's review of the remediation of the West Divide Creek Gas Seep, including an analysis of the results from the ground water sampling. She testified that natural attenuation of the biogenic methane in the seep area has occurred.

The Commission heard testimony from Jaime Adkins, Northwest Engineer for the COGCC, who presented the staff's review of data from wells drilled in and around the moratorium area. He testified as to the requirements established in the July 23, 2004 Notice to Operator, presented a summary of wells drilled under the Notice, and described how wells were remediated in and near the moratorium area. Mr. Adkins testified that the staff believes the Notice to operators has been 100% successful in preventing the type of conditions that resulted in the West Divide Creek Gas Seep. In addition, he presented proposed revisions to the Notice to Operators recommended by staff to be included for

## RECORD OF PROCEEDINGS

Leaves 100

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certain lands known as “The East Mamm Creek Area”. Mr. Adkins concluded that the moratorium should be lifted because the requirements in Order No. 1V-276 have been met, and that with the proposed revisions to the Notice to Operators, appropriate safety precautions have been established for future drilling.

Don DeFord, Garfield County Attorney, stated that the County supports the COGCC staff position on the application and supports lifting the moratorium but would like to reserve the right to come back to the Commission in thirty (30) days should the County have additional concerns.

Bill Barrett Corporation, by its attorney, stated its support of the application and concurred with the COGCC staff position.

Pursuant to Rule 510., a statement was made by Orlyn Bell who indicated that he was pleased with the cooperation between the parties, that the presentation was well done by all of the parties, and that the issues have been resolved with the proposed revisions to the Notice to Operators, along with the commitments made by from the operators. He described his concerns on behalf of the New Multa Trina Ditch Company located to the west of the seep area regarding potential impacts to the ditch from drilling operations.

The Commission heard from Dominick Spencer, Drilling Engineer for Bill Barrett Corporation, who stated that a superintendent is always on site during drilling operations, and that the superintendents are all certified well control operators.

A letter in support of the application was presented at the hearing from Thomas and Sandra Lloyd of Last Dance, LLC.

All exhibits were accepted, the record was closed at 5:05 p.m., and the Commissioners began deliberation.

Commissioner Reagan believes the presentation and the Notice to Operators is good and that the application should be approved. He agreed to let Garfield County come back at the July hearing if needed.

Commissioner Klish also believes the EnCana request should be approved.

Commissioner Potter agrees with lifting the moratorium and stated that lots of work has been done on this.

Commissioner Ashby is in general agreement and wants operators to keep in mind the distance of wells on the pad when performing FITs.

Commissioner Gerhardt supports the lifting of the moratorium with the inclusion of the revised Notice to Operators.

Vice Chair Cree stated the moratorium should be lifted.

Chair Mueller believes that the technical and operational issues have been thoroughly addressed and is impressed with the process, the work done by the companies involved and by the COGCC staff.

A motion was made by Commissioner Klish to approve the application to lift the moratorium, requiring compliance with the revised Notice to Operators as it may be amended from time to time by the COGCC staff, seconded by Commissioner Reagan and approved unanimously.

## RECORD OF PROCEEDINGS

Leaves 100

The meeting adjourned at 5:30 p.m. and resumed on April 25, 2006 at 10:06 a.m. with all of the Commissioners present except Vice Chair Cree.

A hearing was held on the application of Petrogulf Corporation in Cause No. 139, Docket No. 0603-UP-04, request for an order to pool all non-consenting interests in the E½ of Section 19, Township 6 South, Range 93 West, 6th P.M., for the drilling and completion of the Jonsson #19-14, Jonsson #19-10, Jonsson #19-2, Jonsson #19-12, Jonsson #19-22, Jonsson #19-24 and Jonsson #19-26 wells.

At the time of the hearing on April 25, 2006, the Hearings Manager relayed her conversation with the protestants' attorney who confirmed that Antero Resources Corporation and EnCana Oil & Gas (USA) Inc. withdrew their protest to the application. EnCana has signed a Joint Operating Agreement ("JOA") with Petrogulf, and as a result their working interest does not need to be involuntarily pooled. Antero has decided not to contest the granting of the application, and will not participate in the uncontested hearing.

The Commission heard testimony from Charles Goodin, Land and Legal Manager for Petrogulf, who testified that in the 320-acre drilling and spacing unit consisting of the E½ of said Section 19, Petrogulf has leased 235 net acres, Williams has leased 60 net acres, EnCana has leased 20 net acres and Antero has leased 4.17 net acres. He further testified that two (2) of Petrogulf's leases were expiring on March 15, 2006, and that those leases had been top leased by Apollo Energy.

Mr. Goodin testified that the City of Rifle owned 8 acres underlying the Beaver Creek Water Treatment Plant, and that on January 6, 2006 Petrogulf sent a final offer to the City to lease these minerals or to participate in the drilling of the seven (7) wells. The minerals were later leased by Antero.

Mr. Goodin presented Authorizations for Expenditures ("AFE's") and testified that offers were sent to Williams and EnCana on January 18, 2006. No responses were received and Petrogulf then filed its application for involuntary pooling. Subsequent to the filing of the application at the time of the first prehearing conference, Petrogulf amended its application to request pooling for four (4) wells proposed to be drilled.

Mr. Goodin testified that the requirements of Rule 530. and §34-60-116, C.R.S. have been met, and that the AFEs contained the well locations, the objective depths and formations, and the costs to drill and complete the wells. He testified that the AFEs were submitted more than thirty (30) days prior to this hearing. He further testified that a well was spudded prior to the lease expiration of March 15, 2006.

Mr. Goodin testified that JOAs were sent to Williams and EnCana on February 7, 2006 and to Antero on February 10, 2006. He confirmed that EnCana signed a JOA just prior to this Commission hearing.

Keith Crouch, attorney for Petrogulf, would like the order to be effective on the date the application was filed (January 31, 2006).

In response to the question of whether any Commissioner has a conflict, Commissioner Reagan stated that seven (7) years ago he was a lending officer and Petrogulf was his customer. No conflicts are believed to exist.

Commissioner Klish thinks the application should be approved and Commissioner Reagan agrees.

A motion was made by Commissioner Ashby to approve, seconded by Commissioner Gerhardt and approved unanimously.



## RECORD OF PROCEEDINGS

Leaves 100

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The meeting adjourned at 10:35 a.m.

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The Secretary was therefore authorized to issue the following orders:

Order No. 191-23, Mamm Creek Field, Garfield County: Approves the request for an order to lift the moratorium established in Order No. 1V-276 for certain lands in Townships 6 and 7 South, Ranges 91 and 92 West, 6<sup>th</sup> P.M.

Order No. 139-58, Rulison Field, Garfield County: Approves the request for an order to pool all non-consenting interests for the E½ of Section 19, Township 6 South, Range 93 West, 6<sup>th</sup> P.M., for the development and operation of the Williams Fork Formation.

Order No. 143-4, Divide Creek Field, Garfield County: Approves the request for an order to vacate certain lands in Township 7 South, Range 91 West, 6<sup>th</sup> P.M. from the provisions of Cause No. 143 and place the lands under the Rules and Regulations of the Commission.

Order No. 440-32, Parachute Field, Garfield County: Approves the request to amend spacing and allow the equivalent of one well per 20 acres, with the permitted well to be located no closer than 200 feet from the unit boundary, for certain lands in Sections 15 and 22, Township 7 South, Range 95 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork/Iles Formations.

Order Nos. 139-59 & 510-19, Rulison Field, Garfield/Mesa Counties: Approves the request for an order to establish 40-acre drilling and spacing units and allow increased density of up to four (4) wells, for certain lands in Township 7 South, Range 94 West, 6<sup>th</sup> P.M., Townships 7 and 8 South, Ranges 95 and 96 West, 6<sup>th</sup> P.M., with the permitted well to be located no closer than 200 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Order No. 1-222, Vega Field, Mesa County: Approves the request for an order to reduce the setback of wells located within the Vega Federal Exploratory Unit from 600 feet to 200 feet for certain lands in Townships 9 and 10 South, Range 93 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Order No. 112-188, Ignacio-Blanco Field, Archuleta County: Approves the request for an order allowing an exception to the permitted location in Order No. 112-157, for a horizontal well to be located no closer than 660 feet from the boundaries of the E½ drilling and spacing unit and for the 130 foot setback to the interior quarter section on line to be eliminated for the Glover GU #2 Well in Section 2, Township 32 North, Range 6 West, N.M.P.M., for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Order Nos. 139-60, 440-31, 479-17 & 510-20, Rulison, Parachute, and Grand Valley Fields, Garfield County: Approves the request 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 6 South, Ranges 93 through 95 West, and Townships 6 and 7 South, Ranges 96 and 97 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Order No. 139-57, Parachute Field, Garfield County: Approves the request for an order to pool all non-consenting interests in the 640-acre drilling and spacing unit consisting of Section 12, Township 7 South, Range 95 West, 6<sup>th</sup> P.M., for the drilling and completion of the Diamond Elk PA 21-12, Diamond Elk PA 22-12, Diamond Elk PA 41-12 and Diamond Elk PA 42-12 wells, for the

RECORD OF PROCEEDINGS

Leaves 100

development and operation of the Williams Fork Formation.

Order No. 510-21, Grand Valley Field, Garfield County: Approves the 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 Townships 6 and 7 South, Ranges 96 and 97 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Order No. 191-24, Mamm Creek Field, Garfield County: Approves the request for an order to establish 320-acre drilling and spacing units consisting of the S½ of Sections 15 and 17, and the N½ of Section 17, and to establish a 160-acre drilling and spacing unit consisting of the SW¼ of Section 14, an 80-acre drilling and spacing unit consisting of the N½ SE¼ of Section 14, and a 40-acre drilling and spacing unit consisting of the SW¼ SE¼ of Section 14, all in Township 6 South, Range 92 West, 6<sup>th</sup> P.M., and to allow the equivalent of one (1) 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 Formation.

Approved:

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Patricia C. Beaver, Secretary

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Peter M. Mueller, Chair