

**RECORD OF PROCEEDINGS**

**Leaves 100**

June 5, 2006

The Oil and Gas Conservation Commission met on June 5, at 10:15 a.m. in the Council Chamber of the Ambulance Building, 304 West 3<sup>rd</sup> Street, Wray, Colorado, for a hearing in Cause Nos. 1, 1R, 1V (2 matters), 166, 139 (3 matters), 143, 191 (3 matters), 371, 381, 440 (2 matters), 407, 429, and 517.

Those present were:

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

Chair Mueller thanked Commissioner Klish for his service to the Commission as this may be his last hearing.

Chair Mueller asked for a motion to approve the April minutes. A motion was made, seconded and approved unanimously.

Director’s Report: Director Macke thanked the audience for their attendance today. He introduced COGCC staff and thanked Commissioner Klish for his years of service.

Statistics for Applications for Permits-to-Drill (APDs) are on track to approve four thousand seven hundred twenty-nine (4,729) permits this year, with Garfield County receiving one-third (1/3) of the state’s permits, Weld County receiving one-quarter (1/4) and Yuma County receiving approximately twelve percent (12%) of the state’s permits. Only eleven percent (11%) of wells are permitted under a surface use bond however this number is likely lower for actual number of wells drilled under a bond. This is attributed to the on-site inspection policy. We currently have over 1000 APDs unprocessed.

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. The Phase IV Piceance Basin Baseline Water Quality Study which began in May is expected to be completed in late December, 2006.

Phase I of the Hydrogeologic Characterization of the Mamm Creek Field Area in Garfield County was presented by Mark Levorsen at the March hearing. The proposal for Phase II is being worked on and Garfield County will provide a proposal for the project soon.

The COGCC participated in the 4<sup>th</sup> Annual EnCana-sponsored Energy EXPO/Job Fair held on Wednesday, May 3, 2006, at the Garfield County Fair Grounds in Rifle, Colorado. This was the fourth of these annual events, which provides an opportunity for the public to talk one-on-one with representatives of the oil and gas industry, industry contractors, as well as representatives of government oil and gas regulatory agencies. COGCC staff members Jaime Adkins, Bob Chesson, Dave Graham, and Jay Krabacher staffed the COGCC exhibit booth, answered questions, and provided educational material to the public. The COGCC online information system graphics and

## RECORD OF PROCEEDINGS

Leaves 100

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database capabilities once again were very popular with EXPO attendees visiting the COGCC booth. This year a morning session was added that provided an opportunity for local high school students to attend the EXPO and to discuss both job opportunities for graduates and energy resource issues. An estimated 1,100 to 1,500 people attended, providing an excellent opportunity for public outreach. COGCC staff would like to commend EnCana for their continued outstanding effort sponsoring this event in Garfield County, which is experiencing an unprecedented level of oil and gas activity.

Southwest Colorado: The Coalbed Methane Stream Depletion Assessment Study presentation will be made in Durango on June 27, 2006.

The Bondad Explosion area will be addressed as soon as the Department of Natural Resources procurement process is completed.

An orphaned well plugging in Delta County is being coordinated by David Graham.

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

Debbie Baldwin participated in a portion of the meeting on May 11, 2006 held by La Plata County Energy Council, which discussed the LTE report entitled "Preliminary Evaluation of Methane Seepage Mitigation Alternative." The 2005 Fruitland Formation outcrop monitoring report is available on the COGCC website ([www.oil-gas.state.co.us](http://www.oil-gas.state.co.us), Library, San Juan Basin). The detailed mapping event was performed from June 8, 2005, through June 17, 2005. The Pine River subdivision was added to the outcrop monitoring this year. The detailed seep mapping generally showed that methane concentrations in historically active seep areas are higher than previously detected. The higher methane concentrations were most evident at the historical seep areas in the Florida River, Texas Creek, and the upland areas of Carbon Junction. In general, the methane concentrations and/or seep extent at other locations across the study area appear to be relatively consistent with previous years. This was the first detailed mapping performed at the Pine River subdivision that used the same methods used elsewhere; therefore, an analysis of gas seepage trend was not possible. A presentation to the Commission of the results of the outcrop monitoring is tentatively scheduled for the July 2006 hearing.

A 3M monitoring well in Durango is leaking and Debbie Baldwin will travel to the area to repair the well.

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

Southeast Colorado: The Phase II Raton Basin Seep Mapping Project will be done by October, 2006.

Staff Organization: Six new position announcements have been posted to our website, four Environmental Protection Specialists, one permitting staff, and one Professional Engineer I position. Teri Ikenouye is the new Information Processing Supervisor.

Public Outreach: Dave Dillon and Mark Weems attended the Four Corners Oil and Gas Conference where Dave Dillon gave a several talks.

Brian Macke will be going to Trinidad to make a presentation at the Wildlife Commission hearing on June 8, 2006.

Brian Macke will attend the IPAMS annual meeting on June 9, 2006 in Aspen to provide an update on oil and gas development and regulation.

## RECORD OF PROCEEDINGS

Leaves 100

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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. Other reporting requirements are also included in the Notice.

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 121 site surveys as of June 5, 2006. The analyzing and correlating of the noise level data will be performed by Denver office staff.

Governor Owens has signed the Long Bill on May 1, 2006, which allowed eleven full time employees and five contract positions to be granted to COGCC, in addition to approving several new line items.

The 10<sup>th</sup> Annual Outstanding Operators Awards will be presented in August. The deadline has passed but should we get additional nominations in the next few weeks they will be considered.

The onsite inspection policy update indicates that twelve (12) additional inspections have been conducted with three (3) of the requests from surface owners in Yuma County.

The production information from the old green books, which are now available in the public room, will be added to the on-line database by August 15, 2006.

The bradenhead test reports data entry function has been completed so that data entry can now begin.

A 502.b. variance was granted to BP America Production Company for the Floreine Hudspeth Gas Unit A #1 Well sidetrack in the SE $\frac{1}{4}$  NW $\frac{1}{4}$  of Section 12, Township 34 North, Range 7 West, N.M.P.M. The top of production is three hundred fifty-seven (357) feet east of the Fruitland Coal drilling window established in Order No. 112-156.

A 502.b. variance was granted to BP America Production Company for the Baird Gas Unit A#1 Well sidetrack in the NW $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 16U, Township 34 North, Range 7 West, N.M.P.M. The top of production is thirty-five (35) feet west of the Fruitland Coal drilling window established in Order No. 112-180.

Rule 502.b. variances were granted to Laramie Energy LLC for Rule 603.b., setbacks from a county road, were approved for the McDaniel Federal 2-13 Well (API# 077-09072-00), McDaniel Federal 2-14 Well, (API# 077-09073-00), McDaniel 2-11 Well (API# 077-19074-00), and McDaniel Federal 2-12 Well (API# 077-09071).

Tim Pinson is the new Oil and Gas Liaison for Garfield County.

Tricia Beaver discussed committing to a two day August hearing, with a field trip on the first day to include a pipeline stop, and a dinner with the County Commissioners, and the second day would be the hearing day. She discussed the increased number of items on the docket and how they continue to increase each month.

Chair Mueller would like to see operators try to address the increased density applications through either a rulemaking process or a consolidation for commission orders. Randall Ferguson discussed a proposed Ogallala Aquifer Baseline Study and a memo he prepared for Director Macke. He stated that the water is typically of good quality and he wants to sample one (1) water well per township.

Director Macke explained to the Commission that the staff is seeking support from the Commission rather than a vote. A running account of these types of projects and their status are in the staff report.

## RECORD OF PROCEEDINGS

Leaves 100

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Commissioner Ashby would like to see all the data possible be collected from each water well. All Commissioners support this project.

Audience Comments: Jerry Beavers, Phillips County Commissioner welcomed the Commission to the eastern part of the state.

Sue Jarrett presented a letter and her complaint along with color photos to illustrate the problem caused by a pipeline installed by The Houston Exploration Company on her land. David Williams, Health Safety and Environment Manager for Houston Exploration Company stated the photos are not the same as how things looked two (2) months ago. He said that company plans to bury the line and then reconfigure the hill by reconstructing it. They will revegetate, reseed and resod, but need to have an agreement. The Commission asked Director Macke to determine if the COGCC has jurisdiction and from there to either issue a NOAV or seek another remedy.

Bill Keefe, attorney for Presco, has spent one year trying to find experts to address the numerous issues related to drilling with in the half (½) mile buffer zone of the Project Rulison site and has an appointment within the next two (2) weeks with Department of Energy (DOE) in Las Vegas. Mr. Keefe is requesting that the Commission ask Director Macke to send a letter to the DOE asking for witnesses who can provide testimony at a hearing.

Director Macke stated the DOE has indicated that they would be receptive to a letter asking for their witnesses to be available at a Commission hearing. A letter will be drafted for the Commission for input and he will give the DOE a date by which to respond.

Steve Laughlin, previously employed by the Yuma County Assessor's Office for approximately seven (7) years, wanted to express his thoughts that Noble Energy did an exceptional job during operations and reclamation.

Assistant Attorney General's Report: AAG Harmon stated that Monument was denied a writ of certiorari and she is trying to discuss where this will go with Monument's attorney regarding plugging and abandonment of the Bucklin Well. She will provide copies of the Greater Wattenberg Rule 318A. complaint to all Commissioners except Commissioner Gerhardt.

Commissioner Comments: Chair Mueller appreciates the COGCC staff's ongoing outreach efforts.

Consent Agenda: Tricia Beaver described the use of Rule 511.b. to review two (2) of the matters on today's consent agenda. In response to the question of whether any of the Commissioners have a conflict of interest. Commissioner Ashby stated that his brother is a Noble employee. Commissioner Klish stated that his company has some contracts with some of the companies on the Consent Agenda (EnCana, Williams and Laramie). It was determined that no conflicts exist. A motion was made by Commissioner Gerhardt to approve the consent agenda, seconded by Commissioner Reagan and approved unanimously for the adjudicatory items as follows:

Cause No. 191, Docket No. 0606-SP-25, request for an order to establish 320-acre drilling and spacing units in Sections 30 and 31, Township 5 South, Range 92 West, 6<sup>th</sup> P.M. and in the N½ of Section 3, Township 6 South, Range 93 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.

Cause No. 1, Docket No. 0606-SP-27, request for an order to vacate Order No. 1-220 which established a 1,122-acre exploratory unit for certain lands in Townships 7 and 8 North, Range 94

## RECORD OF PROCEEDINGS

Leaves 100

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West, 6<sup>th</sup> P.M. which are now included in the Sugarloaf Federal Unit, for the production of gas and associated hydrocarbons from the Williams Fork coal seam.

Cause No. 517, Docket No. 0606-SP-23, request for an order to vacate Order No. 517-3 which established 160-acre drilling and spacing units for certain lands in Townships 30 and 31 South, Range 65 West, 6<sup>th</sup> P.M., Townships 29 through 31 South, Range 66 West, 6<sup>th</sup> P.M., and Township 31 South, Range 67 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Raton and Vermejo coal seam.

Cause No. 139, Docket No. 0606-SP-28, request for an order to establish 40-acre drilling and spacing units and allow increased density of up to two (2) wells, for certain lands in Township 8 South, Range 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 Iles Formation.

Cause No. 143, Docket No. 0606-SP-31, 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. 0606-EX-06, request for an order allowing an exception location to Order No. 440-23, for the downhole location of the GM-243-1 Well located in the N½ of Section 1, Township 7 South, Range 96 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. 0606-SP-30, request for an order to vacate the SW¼ and S½ SE¼ of Section 5, Township 7 South, Range 94 West, 6<sup>th</sup> P.M. from the provisions of Cause No. 139 and place the lands under the Rules and Regulations of the Commission, and to establish the remaining lands in Section 5 as a 386.52-acre drilling and spacing unit, for the production of gas and associated hydrocarbons from the Mesaverde Group.

Cause No. 191, Docket No. 0606-SP-32, request for an order to establish various 320-acre, 160-acre, 80-acre and 40-acre drilling and spacing units for certain lands in Townships 5 and 6 South, Range 92 West, 6<sup>th</sup> P.M. and Township 6 South, Range 93 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 Iles Formation.

Cause No. 429, Docket No. 0606-AW-08, request for an order to allow up to four (4) wells in each 160-acre drilling and spacing unit for certain lands in Townships 9 and 10 South, Ranges 94 and 95 West, 6<sup>th</sup> P.M., 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 Mesaverde Group.

Cause No. 166, Docket No. 0606-AW-07, request for an order to allow up to four (4) wells in each 160-acre drilling and spacing unit for certain lands in Townships 9 and 10 South, Ranges 94 and 95 West, 6<sup>th</sup> P.M., 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 Mesaverde Group.

Cause No. 371, Docket No. 0606-SP-24, request for an order to vacate certain lands in Township 9 South, Range 94 West, 6<sup>th</sup> P.M. from the provisions of Cause No. 371, place the lands under the Rules and Regulations of the Commission, and allow 10-acre density, for the production of gas and associated hydrocarbons from the Mesaverde Group.

## RECORD OF PROCEEDINGS

Leaves 100

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Cause No. 381, Docket No. 0606-SP-22, request for an order to vacate certain lands in Township 6 South, Range 66 West, 6<sup>th</sup> P.M. from the provisions of Order No. 381-5, to establish 40-acre drilling and spacing units, and allow 10-acre density, for the production of gas and associated hydrocarbons from the “J” Sand, Codell Niobrara and Sussex Formations,

Cause Nos. 139 & 440, Docket No. 0606-SP-21, 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 Townships 7 and 8 South, Range 95 West, 6<sup>th</sup> P.M., 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. 191, Docket No. 0606-SP-26, request for an order to establish a 160-acre drilling and spacing unit for the SW<sup>1</sup>/<sub>4</sub> and 40-acre drilling and spacing units for the NW<sup>1</sup>/<sub>4</sub> SE<sup>1</sup>/<sub>4</sub> and the SE<sup>1</sup>/<sub>4</sub> SE<sup>1</sup>/<sub>4</sub> of Section 16, 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.

Cause No. 1V, Docket No. 0606-OV-07, request to approve an Administrative Order by Consent finding Presco, Inc. in violation of Rule 324A.b., Water Quality Control Commission's Basic Standards for Surface Waters, for the Battlement Mesa No. 36-23 Well located in the SW<sup>1</sup>/<sub>4</sub> NE<sup>1</sup>/<sub>4</sub> of Section 36, Township 7 South, Range 95 West, 6<sup>th</sup> P.M.

Cause No. 1V, Docket No. 0606-OV-08, request to approve an Administrative Order by Consent finding Texas Tea, LLC. in violation of Rule 708., failure to maintain general liability insurance coverage for property damage and bodily injury to third parties in the minimum amount of five hundred thousand dollars (\$500,000) per occurrence.

A hearing was held on the application of Berry Petroleum Company (“Berry”) in Cause No. 1R, Docket No. 0606-RM-01, request for an order to amend Rule 318B. to include additional lands and modify setbacks to 300 feet from lease lines or unit boundaries, for the production of gas and associated hydrocarbons from the Niobrara Formation and adopts a statement of basis and purpose.

Rand Case, attorney for Berry, described how the revised rule differs from the originally noticed rule.

The Commission heard testimony from Jeff Schroeder, Landman for Berry, who described that Berry has approximately two-hundred thousand (200,000) acres that have seven hundred (700) wells on them. Mr. Schroeder testified that the matter was noticed in various Phillips and Yuma County newspapers and approximately 30 operators in the area, in addition to meetings being conducted with both County Commissions who had no objections to the proposed rule revision. In addition, he provided a list of operators supporting the rule with a letter attached supporting the application.

The Commission heard testimony from Kori Norberg, Senior Geologist for Berry, regarding the stratigraphy of the eastern Denver Basin who testified that the Beecher Island member is approximately 30 to 35 feet thick and that Yuma County has the best Niobrara Formation production. Additionally, she testified that the Niobrara Formation has a highly variable structure with post-depositional basement faults. In addition, she testified that the best production is near the structural highs. Further, Ms. Norberg testified that the average porosity in the Niobrara Formation is thirty-six percent (36%) with one (1) millidarcy of permeability.

The Commission heard testimony from Tom Hewett, Geophysicist for Berry, who stated that over two hundred (200) wells have been drilled with six (6) dry holes. Mr. Hewett showed a typical seismic amplitude map and testified that the pattern of faults and gas saturation is the only thing that changes

## RECORD OF PROCEEDINGS

Leaves 100

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over the miles of application lands. He testified that the adoption of the rule will allow flexibility to locate wells in post-productive areas enabling a distance of three hundred (300) feet from the fault.

The Commission heard testimony from Jack McCartney, consulting engineer, who also testified at the September 2004, Rule 318B. hearing. Mr. McCartney presented a comparison to the previous rule with today's proposed rule, pointing out the differences. He testified about the reservoir parameters for the northeast Colorado Niobrara Formation fields, including one (1) field in Phillips County, which shows an average thickness of the Niobrara Formation of thirty-three (33) feet and an average porosity of thirty-four (34%) percent. Mr. McCartney testified regarding the benefits of the proposed well location rule, that well locations can be optimized with the proposed rule and surface disturbance can be minimized. He testified that the Holyoke South Field has an average drainage equal to just less than forty (40) acres, and there is one large producer where one (1) well will drain approximately seventy (70) to eighty (80) acres.

Pursuant to Rule 510., a statement was made by Gary Angelette stating his concerns about three hundred (300) foot setbacks from unleased lands. Mr. Angelette stated that he has a well on his property where the sprinkler may eventually be hit by the pump jack and is wondering who is liable. He stated that he has contacted the operator to let them know he is concerned.

The Commission heard closing testimony from Rand Case and then discussed whether correlative rights will be adversely affected by the setbacks proposal of three hundred (300) feet.

Commissioner Ashby, Commissioner Cree and Commissioner Klish agree that the application should be approved.

A motion was made by Commissioner Klish to approve, seconded by Commissioner Reagan and approved unanimously.

The meeting adjourned at 4:15 p.m.

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The Secretary was therefore authorized to issue the following orders:

Order No. 1R-102, Yuma/Phillips Counties: Approves the request to amend Rule 318B. to include additional lands and modify setbacks to 300 feet from lease lines or unit boundaries, for the production of gas and associated hydrocarbons from the Niobrara Formations, and adopts a statement of basis and purpose.

Order No. 191-26, Mamm Creek Field, Garfield County: Approves the request for an order to establish 320-acre drilling and spacing units in Sections 30 and 31, Township 5 South, Range 92 West, 6<sup>th</sup> P.M. and in the N½ of Section 3, Township 6 South, Range 93 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.

Order No. 1-221, Wildcat Field, Moffat County: Approves the request for an order to vacate Order No. 1-220 which established a 1,122-acre exploratory unit for certain lands in Townships 7 and 8 North, Range 94 West, 6<sup>th</sup> P.M. which are now included in the Sugarloaf Federal Unit, for the production of gas and associated hydrocarbons from the Williams Fork coal seam.

Order No. 517-10, Huerfano/Las Animas Counties: Approves the request for an order to vacate Order No. 517-3 which established 160-acre drilling and spacing units for certain lands in

## RECORD OF PROCEEDINGS

Leaves 100

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Townships 30 and 31 South, Range 65 West, 6<sup>th</sup> P.M., Townships 29 through 31 South, Range 66 West, 6<sup>th</sup> P.M., and Township 31 South, Range 67 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Raton and Vermejo coal seam.

Order No. 139-62, Rulison Field, Garfield County: Approves the request for an order to establish 40-acre drilling and spacing and allow increased density of up to two (2) wells, for certain lands in Township 8 South, Range 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 Iles Formation.

Order No. 143-5, Divide Creek Field, Garfield/Mesa Counties: 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, for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Order No. 440-34, Grand Valley Field, Garfield County: Approves the request for an order allowing an exception location to Order No. 440-23, for the downhole location of the GM-243-1 Well located in the N½ of Section 1, Township 7 South, Range 96 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Order No. 139-63, Rulison Field, Garfield County: Approves the request for an order to vacate the SW¼ and S½ SE¼ of Section 5, Township 7 South, Range 94 West, 6<sup>th</sup> P.M. from the provisions of Cause No. 139 and place the lands under the Rules and Regulations of the Commission, and to establish the remaining lands in Section 5 as a 386.52-acre drilling and spacing unit, for the production of gas and associated hydrocarbons from the Mesaverde Group.

Order No. 191-25, Mamm Creek Field, Garfield County: Approves the request for an order to establish various 320-acre, 160-acre, 80-acre and 40-acre drilling and spacing units for certain lands in Townships 5 and 6 South, Range 92 West, 6<sup>th</sup> P.M. and Township 6 South, Range 93 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 Iles Formation.

Order No. 429-4, Brush Creek Field, Mesa County: Approves the request for an order to allow up to four (4) wells in each 160-acre drilling and spacing unit for certain lands in Townships 9 and 10 South, Ranges 94 and 95 West, 6<sup>th</sup> P.M., 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 Mesaverde Group.

Order No. 166-23, Plateau Field, Mesa County: Approves the request for an order to allow up to four (4) wells in each 160-acre drilling and spacing unit for certain lands in Townships 9 and 10 South, Ranges 94 and 95 West, 6<sup>th</sup> P.M., 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 Mesaverde Group.

Order No. 371-3, Buzzard Creek Field, Mesa County: Approves the request for an order to vacate certain lands in Township 9 South, Range 94 West, 6<sup>th</sup> P.M. from the provisions of Cause No. 371, place the lands under the Rules and Regulations of the Commission, and allow 10-acre density, for the production of gas and associated hydrocarbons from the Mesaverde Group.

Order No. 381-8, Bracewell Field, Weld County: Approves the request for an order to vacate certain lands in Township 6 South, Range 66 West, 6<sup>th</sup> P.M. from the provisions of Order No. 381-5, to establish 40-acre drilling and spacing units, and allow 10-acre density, for the production of gas



**RECORD OF PROCEEDINGS**

**Leaves 100**

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and associated hydrocarbons from the Mesaverde Group.

Order Nos. 139-61 & 440-33, Wildcat, 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 Townships 7 and 8 South, Range 95 West, 6<sup>th</sup> P.M., 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.

Order No. 191-27, Mamm Creek Field, Garfield County: Approves the request for an order to establish a 160-acre drilling and spacing unit for the SW<sup>1</sup>/<sub>4</sub> and 40-acre drilling and spacing units for the NW<sup>1</sup>/<sub>4</sub> SE<sup>1</sup>/<sub>4</sub> and the SE<sup>1</sup>/<sub>4</sub> SE<sup>1</sup>/<sub>4</sub> of Section 16, 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.

Order No. 1V-299, Garfield County: Approves an Administrative Order by Consent finding Presco, Inc. in violation of Rule 324A.b., Water Quality Control Commission's Basic Standards for Surface Waters, for the Battlement Mesa No. 36-23 Well located in the SW<sup>1</sup>/<sub>4</sub> NE<sup>1</sup>/<sub>4</sub> of Section 36, Township 7 South, Range 95 West, 6<sup>th</sup> P.M.

Order No. 1V-300, Statewide: Approves an Administrative Order by Consent finding Texas Tea, LLC. in violation of Rule 708., failure to maintain general liability insurance coverage for property damage and bodily injury to third parties in the minimum amount of five hundred thousand dollars (\$500,000) per occurrence.

Approved:

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Patricia C. Beaver, Secretary

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Peter M. Mueller, Chair