

RECORD OF PROCEEDINGS

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January 8, 2007

The Oil and Gas Conservation Commission met on January 8, at 9:05 a.m. in Suite 801, The Chancery Building, 1120 Lincoln Street, Denver Colorado, for a hearing in Cause Nos. 112 (3 matters), 191 (3 matters), 139 (2 matters), 440 (2 matters), 479, 510 (3 matters), and 1V.

Those present were:

Brian Cree	Vice Chair
Thane De Puey	Commissioner
Kimberlee Gerhardt	Commissioner
Samuel Potter	Commissioner
Tom Reagan	Commissioner
Carol Harmon	Assistant Attorney General
Brian Macke	Director
Patricia Beaver	Hearings Manager

A motion was made by Commissioner Reagan to approve the September minutes, approved unanimously, except for Thane De Puey who abstained since he was not a Commissioner at that time.

The October Minutes could not be approved as there was no quorum. Chair Cree and Commissioner Potter were not present at the October hearing. The vote will be conducted through electronic mail.

Executive Director’s Report: Mike King, Assistant Director of the Department of Natural Resources (DNR) reported that Russell George will be leaving his position of Executive Director and will be replaced by Governor Ritter’s appointee Harris Sherman. Mr. Sherman is excited about his new position and is getting ready for his Wednesday confirmation hearing. He believes that communication will be of the utmost importance.

Director’s Report: Wendy Schultz, COGCC Financial Manager, presented a financial update to the COGCC to describe funding sources and budget items.

Director Macke stated that five thousand nine hundred four (5,904) Applications for Permits-to-Drill (APDs) were approved in 2006. He believes that if not for the two blizzards more than six thousand (6000) APDs would have been approved. The backlog of APDs in December was at its lowest level of the year. He referred to the table in the staff report which showed a slight increase in surface bonds with approximately 12% of the approved APDs using a surface bond and 21% of the approved APDs using surface use agreements.

Bruce McCloskey, Director of the Colorado Department of Wildlife (“CDOW”), made a presentation to describe CDOW to the COGCC. He indicated that they have four hundred (400) wildlife biologists and nine (9) voting members plus two (2) ex-officio members on the Commission whose makeup is set by statute allowing a four (4) year term with one reappointment for a total of eight (8) years. The CDOW is one hundred percent (100%) cash funded from hunting and fishing licenses with seventy-five percent (75%) of income coming from elk and deer. Mr. McCloskey stated that CDOW is trying to reduce the elk population and that the deer population has been declining. Sage grouse are a state managed species. The educational DVD being produced is expected to be completed in March or April. The DVD will showcase the partnerships in place between COGCC and CDOW.

Director Macke highlighted the article titled “Gas Drilling Fuels GarCo Schools, Coffers” and the revenue that is being brought into the area and the state of Colorado.

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He discussed the proactive efforts of the COGCC to reduce the emission complaints in Garfield County and the increased staff in the area.

Director Macke stated that the meeting with the Department of Energy Office ("DOE") of Legacy Management was very successful. The DOE has committed to working with the COGCC if an application in the Rulison area is filed by Presco. The COGCC will arrange meetings with the relevant divisions of the Colorado Department of Public Health and Environment ("CDPHE") and the DOE when needed.

Northwest Colorado: The December Northwest Oil and Gas Forum was well-attended and a good presentation was made by John Harpole. Commissioner Potter suggested that all Commissioners receive a copy of Mr. Harpole's presentation. The next meeting of the Northwest Colorado Oil and Gas Forum has been scheduled for Thursday, March 15, 2007 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 final sampling resulted in 70 water wells being sampled. The complete results will be posted on the COGCC website when available.

The new Environmental Protection Specialist Chris Canfield is attending meetings of the Parachute-Roan Creek Working Group that is working on a sage grouse inventory project.

Southwest Colorado: The Bryce I-X proposal for pilot projects to characterize the impacted aquifers is still being developed.

The next GORT meeting is scheduled for March 8, 2007, at 8:30 a.m. at the La Plata County Fairgrounds.

The COGCC is continuing work with the La Plata County Energy Council to identify several pilot gas seep mitigation projects.

Northeast Colorado: The Greater Wattenberg Area Baseline study Request for Proposal is being developed.

There have been 10 "O" Sand orphaned oil and gas pit sites in and around the West Padroni Field where site investigations will be conducted.

The Ogallala Aquifer Baseline Study Scope of Work has been prepared and a Request for Proposal is forthcoming to solicit bids for this work.

The COGCC staff will be meeting with Colorado Interstate Gas ("CIG") in the next few weeks for updates regarding the Fort Morgan Gas Storage Field on the progress being made since the October 22, 2006 gas flow was discovered.

Recently, the COGCC and CDPHE – HMWMD staff investigated a complaint regarding a landowner who was accepting water-based bentonitic drilling fluids from multiple operators and therefore was operating what was essentially an unlicensed commercial disposal facility. Operators are reminded that Rule 907.b.(1) requires that E&P waste transported off-site for treatment or disposal, must be taken to waste disposal facilities authorized by the COGCC Director or to a CDPHE – HMWMD approved disposal facility.

Southeast Colorado: The contract for the Phase II Raton Basin Seep Mapping Project has been finalized and the project is scheduled to begin May, 2007.

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Pioneer Natural Gas continues to modify and improve its best management practices and reclamation activities in the Raton Basin.

Red River Ranch has completed its site investigation and remediation activities related to a release of exploration and production waste to waters of the state.

Staff Organization: The COGCC is pleased to announce the promotion of David Andrews to Engineering Supervisor in charge of the Greeley, Sterling, and Yuma County areas. Dave has been with the COGCC for approximately one year and has worked the Greeley area in the capacity of Professional Engineer I.

The COGCC is pleased to announce the hiring of Karen Spray to the staff as Environmental Protection Specialist (EPS) II. She is based in Durango and will work in the southwestern portions of the state. Karen has a B.S. degree in geology from New Mexico Tech and a M.S. degree in geology/hydrogeology from the University of Kansas. She has been a practicing environmental consultant for over 20 years with special emphasis on hydrogeology and regulatory compliance issues associated with the energy and minerals industries. Karen is a co-author of the award-winning Colorado Ground Water Atlas (2003, Colorado Geological Survey) and was the primary author of the San Juan Basin bedrock and alluvial aquifer sections. She is a registered professional geologist in both Wyoming and Utah and is a qualified ISO14000 auditor.

The COGCC is pleased to announce the hiring of Enrique Rivera as Production Specialist. Enrique started at the COGCC on December 11, 2006, and fills our second Production Specialist position.

A belated welcome is due to the new COGCC Public Room staff member Kathleen Mills. Kathleen started at the COGCC on October 30, 2006.

The COGCC's annual budget request was submitted to the Joint Budget Committee on November 1, 2006. Included in the request are the following six decision items and funding requirements as approved by the Governor's Office, listed in priority order:

A contractor to assist with oil shale permitting \$60,000

Four additional FTE (2 permit technicians, 1 Engineer, and 1 Accountant) and continuation of funding for four contractors to assist with permitting. Additional lease space for the Denver office is also included in this decision item. \$571,472

An application programmer position (1 FTE) \$78,235

Data Cleanup Project \$119,356

Rifle lease space and vehicle for relocated supervising engineer \$37,020

Computer system maintenance – additional funding for information technology \$91,338

Brian Macke and David Dillon attended an oil shale discussion meeting with the Bureau of Land Management on December 14, 2006, at the BLM's Denver office. David presented information to the BLM that outlined the portions of any future oil shale permits submitted to the Division of Reclamation and Mine Safety (DRMS) that would be specifically reviewed by the COGCC staff for compliance with COGCC drilling and completion rules. The technical areas that would be reviewed in detail by the COGCC staff include casing design, cement design, plugging requirements, prevention of significant environmental impacts, and oil and gas measurement. No new permit for oil shale development has been filed with the DRMS to date.

S.S. Papadopoulos & Associates, Inc. (Papadopoulos) has been awarded the contract for conducting the "Coalbed Methane Stream Depletion Assessment Study of the Raton and Piceance Basins." The purpose of this study is to develop a quantitative assessment of the levels of stream depletion (or reduction in formation outflows) that may be occurring as a result of the removal of water by CBM wells. This work will be similar to the study done last year in the San Juan Basin and extends the

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assessment to other CBM producing basins of Colorado. The kickoff meeting between Papadopoulos, DWR, CGS, and the COGCC was held on December 12, 2006.

An investigation of oil and gas wells abandoned under the supervision of the COGCC Environmental Response Fund (ERF) program is in the planning stages. The COGCC staff has compiled a list of 230 wells that will be investigated for an anticipated cost of approximately \$130,000. The investigation is intended to screen for potentially hazardous environmental conditions in the vicinity of these wells.

Over the next several months the United States Fish & Wildlife Service ("USFWS") intends to work with the oil and gas industry, the Colorado Division of Wildlife, and the COGCC to resolve the problem of bird deaths related to fired equipment. The USFWS is not pursuing criminal charges at this time, but will begin enforcement on March 1, 2007.

Public Outreach: Brian Macke participated in a panel discussion titled "Oil and Gas Expansion Issues" at the Colorado Weed Management Association/Colorado Section of the Society for Range Management Joint Meeting in Grand Junction, Colorado on December 6, 2006. This was the first occasion that these two organizations have held a combined meeting, and was a good opportunity for the COGCC to provide education and outreach to these stakeholders.

Brian Macke provided an update on oil and gas development in Colorado with an emphasis on Northwest Colorado and COGCC regulations during a meeting of the Northwest Colorado Energy Producers Association on December 7, 2006, in Craig, Colorado.

Brian Macke has been invited to participate in a panel discussion on oil and gas regulation in the Rocky Mountain area during Platts' "Rockies Gas & Oil" conference on April 26-27, 2007, in Denver, Colorado.

Brian Macke has been invited to participate on a panel discussion about issues related to growth of the oil and gas industry in Colorado at a conference that is being planned by the Air Waste Management Association in Golden on May 17, 2007.

The onsite inspection policy update shows that this policy has been extremely helpful with surface owners with only fifteen (15) onsite inspections having to be conducted out of a total of sixty-seven requests submitted since February 15, 2005.

Tricia Beaver discussed the February Docket which shows a reduction in new hearing matters likely due to deadlines in proximity to the holidays.

The COGCC, with assistance from the Ground Water Protection Council, has produced two Macromedia Flash movies to help users understand the many features available within the COGCC GIS Online system. The movies are located by clicking on the HELP link from the main menu or by using the following link: http://oil-gas.state.co.us/COGIS_Help/Help.asp

Home Depot was granted a variance in accordance with Rule 502.b.(1) for final reclamation with regard to grading and revegetation. The variance was requested because of a planned change in land use from vacant land to a commercial property.

Paul Tourangeau, Director of the Air Pollution Control Division ("APCD"), made a presentation on the rules adopted by Air Pollution Controlled Division in December 2006. Jill Cooper and Cindy Duffy, also with APCD, attended and answered questions.

Jeannette Jones, Director of Pipeline Integrity DCP Midstream, made a presentation on the basics of

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the new gas gathering definition. She indicated that the Public Utilities Commission ("PUC") expects to adopt rules by the end of January 2007.

As directed by the Commission, the COGCC staff and Assistant Attorney General Carol Harmon worked together to draft a resolution concerning the regulation of natural gas gathering systems. This resolution was presented to and adopted by the Commission at the January 8, 2007 hearing. A motion was made by Commissioner Potter to approve the Pipeline Resolution, seconded by Commissioner De Puey and approved unanimously. It will be submitted to the Public Utilities Commission for its consideration.

Assistant Attorney General's Report: Assistant Attorney General Harmon provided a confidential Litigation Memorandum and reported how the judge ruled in the Finley case from the bench to dismiss the matter. A status conference was held in the Allen Oil and Gas matter. An Executive Session was requested under §24-6-402(3(a)(II), C.R.S.(2006). A motion was made by Commissioner Potter, seconded by Commissioner Reagan and approved unanimously to go into and come out of Executive Session to discuss litigation strategy in the Gunnison Energy v. B.D.S. case. An appeal would have to be filed by January 29, 2007.

Commissioner Comments: Commissioner Reagan made comments on Governor Ritter's remarks concerning the number APDs issued by the COGCC in 2006. Commissioner De Puey seconded those comments. Vice Chair Cree also agreed with the concerns of Commissioners Reagan and De Puey. Commissioner Potter stated his sadness with the loss of Russ George.

Director Macke stated the need to discuss the possibility of increasing the mill levy to cover the costs of three (3) proposed budget amendments that COGCC is proposing. The Commissioners would consider raising the mill levy to cover these items.

Consent Agenda: In response to Vice Chair Cree's question regarding whether any Commissioners have a conflict of interest with any of the matters on the Consent Agenda, Commissioner Potter mentioned that he has an ongoing relationship with Williams and his son is employed by Williams; neither of which he thinks presents a conflict. Commissioner De Puey mentioned that although his company provides water to some of the companies on the Consent Agenda, he does not believe he has a conflict.

A motion was made by Commissioner Potter to approve the consent agenda, seconded by Commissioner Reagan and approved unanimously for the adjudicatory items as follows:

Cause Nos. 139 & 440, Docket No. 0611-SP-49, request for an order to vacate the E½ NE¼, SE¼ NW¼ and SW¼ NE¼ from the 320-acre drilling and spacing unit in the N½ of Section 25, Township 6 South, Range 95 West, 6th P.M. established in Order No. 440-12, and establish two (2) 80-acre drilling and spacing units for these lands, for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Cause No. 191, Docket No. 0701-SP-01, request for an order to establish a 160-acre drilling and spacing unit consisting of the NW¼ of Section 9, Township 6 South, Range 92 West, 6th 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 boundary of the unit, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause No. 191, Docket No. 0701-SP-02, request for an order to establish a 320-acre drilling and spacing unit consisting of the S½ of Township 6 South, Range 92 West, 6th 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

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from the boundary of the unit, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause No. 139, Docket No. 0701-SP-05, request for an order to vacate the 320-acre drilling and spacing unit consisting of the W½ of Section 18, Township 6 South, Range 93 West, 6th P.M. and establish a 160-acre drilling and spacing unit consisting of the NW¼ of Section 18, Township 6 South, Range 93 West, 6th P.M., with the permitted well to be located no closer than 600 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Cause Nos. 139, 440, 479 & 510, Docket No. 0701-AW-02, request for an order 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 outside boundary for certain lands in Township 6 South, Ranges 95 and 96 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams, Iles and Sego Formations.

Cause No. 510, Docket No. 0701-AW-03, request for an order 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 outside boundary for certain lands in Township 6 South, Ranges 95 and 96 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork, Iles and Sego Formations.

Cause No. 510, Docket No. 0701-SP-07, request for an order to amend Order No. 510-14 and establish 40-acre drilling and spacing units in the SW¼ of Section 35, Township 7 South, Range 96 West, 6th 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 and Iles Formations.

Cause No. 112, Docket No. 0701-EX-01, request for an order allowing an exception to the permitted location in Order No. 112-156, for two (2) horizontal sidetracks with a bottom hole location in the NW¼ of Section 15, Township 34 North, Range 8 West, N.M.P.M., to be located no closer than 660 feet from the boundaries of the N½ of the drilling and spacing unit and for the 130 foot setback to the interior quarter section line to be eliminated, for the Annala Federal GU A #1 Well in said Section 15, for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Cause No. 112, Docket No. 0701-EX-02, request for an order allowing an exception to the permitted location in Order No. 112-156, for two (2) horizontal sidetracks with a bottom hole location in the NE¼ of Section 8, Township 34 North, Range 7 West, N.M.P.M., to be located no closer than 660 feet from the boundaries of the E½ of the drilling and spacing unit and for the 130 foot setback to the interior quarter section line to be eliminated, for the Bush Federal GU #2 Well in said Section 8, for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Cause No. 112, Docket No. 0701-EX-03, request for an order allowing an exception to the permitted location in Order No. 112-156, for two (2) horizontal sidetracks with a bottom hole location in the SW¼ of Section 36, Township 35 North, Range 8 West, N.M.P.M., to be located no closer than 660 feet from the boundaries of the S½ of the drilling and spacing unit and for the 130 foot setback to the interior quarter section line to be eliminated, for the State of Colorado AV #1 Well in said Section 36, for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Cause No. 191, Docket No. 0701-UP-07, request for an order pooling all nonconsenting interests in the approximate 186.3-acre drilling and spacing unit consisting of a portion of the N½ of Section 12, Township 6 South, Range 93 West, 6th P.M., for production of gas and associated hydrocarbons from the Williams Fork, Iles and Sego Formations.

Cause No. 1V, Docket No. 0701-OV-01, Weld County request to approve an Administrative Order by Consent finding Noble Energy Production, Inc. in violation of Rule 301., failure to provide

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written notice of intention to change plans previously approved and failure to receive written approval for the change before the work began on the Gray O 26-5 Well located in the NW¼ NW¼ of Section 26, Township 4 North, Range 67 West, 6th P.M.

The following matters have been continued as indicated:

Cause No. 112, Docket No. 0611-AW-32, request for an order to allow up to four (4) wells to be optionally drilled in the 320-acre drilling and spacing unit consisting of the S½ of Section 31, Township 33 North, Range 9 West, N.M.P.M., with the permitted well to be located no closer than 660 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Fruitland coal seams, was continued to the February hearing.

Cause No. 399, Docket No. 0701-SP-03, request for an order to allow the equivalent of one (1) well per 20 acres for certain lands in Township 10 South, Range 93 West, 6th P.M., with the permitted well to be located no closer than 200 feet from the lease line, for the production of gas and associated hydrocarbons from the Mesaverde Group, was continued to the February hearing.

Cause No. 139, Docket No. 0701-SP-04, request for an order to vacate the S½ 320-acre drilling and spacing unit in Section 25, Township 6 South, Range 94 West, 6th P.M., establish two (2) 160-acre drilling and spacing units consisting of the SW¼ and SE¼ of Section 25, Township 6 South, Range 94 West, 6th P.M., and 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, was continued to the February hearing.

Cause Nos. 191 & 510, Docket No. 0701-AW-01, request for an order 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 lease line for certain lands in the N½ of Section 8, Township 6 South, Range 92 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, was continued to the February hearing.

Cause No. 197, Docket No. 0701-EX-04, request for an order allowing an exception to the permitted location in Order No. 197-1, for a well to be drilled 624 feet from the north line and 1552 feet from the east line in Section 30, Township 30 South, Range 45 West, 6th P.M., for the production of gas and associated hydrocarbons from the Topeka Limestone Formation, was continued to the February hearing.

Cause Nos. 1 & 407, Docket No. 0701-UP-01, request for an order to establish a 160-acre drilling and spacing unit consisting of the E½ SW¼ and W½ SE¼ of Section 17, Township 5 North, Range 65 West, 6th P.M., for production from the Sussex, Codell, Niobrara, "J" Sand and Dakota Formations, and pool all nonconsenting interests for the development and operation of said formations, was continued to the February hearing.

Cause Nos. 1 & 407, Docket No. 0701-UP-02, request for an order to establish a 160-acre drilling and spacing unit consisting of the S½ NE¼ and N½ SE¼ of Section 17, Township 5 North, Range 65 West, 6th P.M., for production from the Sussex, Codell, Niobrara, "J" Sand and Dakota Formations, and to pool all nonconsenting interests for the development and operation of said formations, was continued to the February hearing.

Cause Nos. 1 & 407, Docket No. 0701-UP-03, Wattenberg Field, Weld County request for an order to establish a 160-acre drilling and spacing unit consisting of the S½ SW¼ of Section 16 and the N½ NW¼ of Section 21, Township 5 North, Range 65 West, 6th P.M., for production from the Sussex, Codell, Niobrara, "J" Sand and Dakota Formations, and to pool all nonconsenting interests for the development and operation of said formations, was continued to the February hearing.

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Cause Nos. 1 & 407, Docket No. 0701-UP-04, request for an order to establish an 80-acre drilling and spacing unit consisting of the N½ NW¼ of Section 21, Township 5 North, Range 65 West, 6th P.M., for production from the Sussex, Codell, Niobrara, “J” Sand and Dakota Formations, and to pool all nonconsenting interests for the development and operation of said formations was, continued to the February hearing.

Cause Nos. 1 & 407, Docket No. 0701-UP-05, request for an order to establish a 160-acre drilling and spacing unit consisting of the SW¼ of Section 17, Township 5 North, Range 65 West, 6th P.M., for production from the Sussex, Codell, Niobrara, “J” Sand and Dakota Formations, and to pool all nonconsenting interests for the development and operation of said formations, was continued to the February hearing.

Cause Nos. 1 & 407, Docket No. 0701-UP-06, request for an order to establish an 80-acre drilling and spacing unit consisting of the S½ NE¼ of Section 17, Township 5 North, Range 65 West, 6th P.M., for production from the Sussex, Codell, Niobrara, “J” Sand and Dakota Formations, and to pool all nonconsenting interests for the development and operation of said formations, was continued to the February hearing.

The meeting adjourned at 2:45 p.m.

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The Secretary was therefore authorized to issue the following orders:

Order Nos. 139-68 & 440-39, Parachute & Rulison Fields, Garfield County: Approves the request for an order to vacate the E½ NE¼, SE¼ NW¼ and SW¼ NE¼ from the 320-acre drilling and spacing unit in the N½ of Section 25, Township 6 South, Range 95 West, 6th P.M. established in Order No. 440-12, and establish two (2) 80-acre drilling and spacing units for these lands, for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Order No. 191-42, Mamm Creek Field, Garfield County: Approves the request for an order to establish a 160-acre drilling and spacing unit consisting of the NW¼ of Section 9, Township 6 South, Range 92 West, 6th 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 boundary of the unit, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Order No. 191-43, Mamm Creek Field, Garfield County: Approves the request for an order to establish a 320-acre drilling and spacing unit consisting of the S½ of Township 6 South, Range 92 West, 6th 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 boundary of the unit, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Order Nos. 139-69, 440-40, 479-18 & 510-30, Parachute & Rulison Fields, Garfield County: Approves the request for an order 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 outside boundary for certain lands in Township 6 South, Ranges 95 and 96 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork, Iles and Sego Formations.

Order No. 510-31, Parachute & Rulison Fields, Garfield County: Approves the request for an order 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 outside boundary for certain lands in Township 6 South, Ranges 95 and 96 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork, Iles and Sego Formations.

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Order No. 510-32, Rulison Field, Garfield & Mesa Counties: Approves the request for an order to amend Order No. 510-14 and establish 40-acre drilling and spacing units in the SW¼ of Section 35, Township 7 South, Range 96 West, 6th 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 and Iles Formations.

Order No. 112-198, Ignacio-Blanco Field, La Plata County: Approves the request for an order allowing an exception to the permitted location in Order No. 112-156, for two (2) horizontal sidetracks with a bottom hole location in the NW¼ of Section 15, Township 34 North, Range 8 West, N.M.P.M., to be located no closer than 660 feet from the boundaries of the N½ of the drilling and spacing unit and for the 130 foot setback to the interior quarter section line to be eliminated, for the Annala Federal GU A #1 Well in said Section 15, for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Order No. 112-199, Ignacio-Blanco Field, La Plata County: Approves the request for an order allowing an exception to the permitted location in Order No. 112-156, for two (2) horizontal sidetracks with a bottom hole location in the NE¼ of Section 8, Township 34 North, Range 7 West, N.M.P.M., to be located no closer than 660 feet from the boundaries of the E½ of the drilling and spacing unit and for the 130 foot setback to the interior quarter section line to be eliminated, for the Bush Federal GU #2 Well in said Section 8, for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Order No. 112-200, Ignacio-Blanco Field, La Plata County: Approves the request for an order allowing an exception to the permitted location in Order No. 112-156, for two (2) horizontal sidetracks with a bottom hole location in the SW¼ of Section 36, Township 35 North, Range 8 West, N.M.P.M., to be located no closer than 660 feet from the boundaries of the S½ of the drilling and spacing unit and for the 130 foot setback to the interior quarter section line to be eliminated, for the State of Colorado AV #1 Well in said Section 36, for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Order No. 191-44, Mamm Creek Field, Garfield County: Approves the request for an order pooling all nonconsenting interests in the approximate 186.3-acre drilling and spacing unit consisting of a portion of the N½ of Section 12, Township 6 South, Range 93 West, 6th P.M., for production of gas and associated hydrocarbons from the Williams Fork, Iles and Sego Formations.

Order No. 1V-308, Weld County: Approves the request to approve an Administrative Order by Consent finding Noble Energy Production, Inc. in violation of Rule 301., failure to provide written notice of intention to change plans previously approved and failure to receive written approval for the change before the work began on the Gray O 26-5 Well located in the NW¼ NW¼ of Section 26, Township 4 North, Range 67 West, 6th P.M.

Approved:

Patricia C. Beaver, Secretary

Peter M. Mueller, Chair