

RECORD OF PROCEEDINGS

100 Leaves

March 26, 2007

The Oil and Gas Conservation Commission met on March 26, at 9:00 a.m. in Suite 801, The Chancery Building, 1120 Lincoln Street, Denver Colorado, for a hearing in Cause Nos. 1 (6 matters), 191 (2 matters), 407 (7 matters), 440, 527.

Those present were:

Peter Mueller	Chair
John Ashby	Commissioner
Thane De Puey	Commissioner
Kimberlee Gerhardt	Commissioner
Samuel Potter	Commissioner
Tom Reagan	Commissioner
Brian Macke	Director
Patricia Beaver	Hearings Manager

A motion was made by Commissioner Reagan, seconded by Commissioner De Puey, to approve the February minutes with amendments. The minutes were unanimously approved.

Executive Director’s Report: Executive Director Harris Sherman and Assistant Director Mike King spoke about the ongoing status of House Bill 07-1341 and expressed their appreciation to Chair Mueller and Vice Chair Cree in meeting with them and providing data on oil and gas issues. The bill is not being proposed based on the current job the Commissioners are doing but rather to expand and broaden the Commission to make it more effective in the outreach to the citizens of Colorado. Executive Director Sherman believes that the proposal is relatively moderate and he stated that the bill has gone through the House successfully.

Chair Mueller stated his concerned about the perception versus the reality concerning the bill. He described his email correspondence with Susan Franzhiem and mentioned some errors regarding the COGCC on the Oil & Gas Accountability Project’s website.

Executive Director Sherman does not believe there will be an overhaul of the Commission with any of the proposed legislation and he stated that he will try to facilitate a meeting between Vice Chair Cree and Governor Ritter.

Commissioner Potter pointed out that there are only two Commissioners who are involved with the oil and gas industry and he stated the need to have a central core of technical expertise on the Commission.

Executive Director Sherman believes that there must be oil and gas expertise on the Commission and on COGCC staff and not Commissioners who have axes to grind.

Commissioner Reagan believes that the current fine structure in the statute should be reviewed and he wants to increase the severance tax to pay for the outcrop study in La Plata County.

Executive Director Sherman stated that Governor Ritter wants to wait on any new Commission confirmations in order to see what comes out of the legislative session.

Commissioner Ashby mentioned that Vice Chair Cree is the Commissioner who fashioned the results in the Presco Project Rulison order. He also mentioned how the severance tax may decrease in the state if less drilling occurs due to the proposed changes in legislation.

RECORD OF PROCEEDINGS

100 Leaves

Commissioner De Puey does not believe department Executive Directors should be on the Commission and is concerned about what may happen with the APD turn-around time.

Executive Director Sherman stated that Governor Ritter believes coordination with other departments can be easier if Executive Directors are on boards. He understands that Representatives Gibbs & Curry do not plan to have the Division of Wildlife and Colorado Department of Public Health and Environment staff review each APD which would result in a delay of APD issuance.

Commissioner Potter believes the proposed bill would have a fiscal impact.

Chair Mueller asked Executive Director Sherman to extend his thanks to Senator Isgar for supporting the Coalbed Methane Seep Mitigation bill.

Director's Report: Director Macke stated that the number of APDs for 2007 is anticipated to reach between 5,700 and 6,000, with one third of the APDs issued in Garfield County. He stated that one half of Las Animas County wells are being permitted with a surface bond and one quarter of Weld County wells are being permitted with a surface bond.

Northwest Colorado: Director Macke highlighted a newspaper article that describes how the energy industry has driven many facets of Mesa County's booming economy, and an article describing the nation's largest natural gas pipeline, Rockies Express (REX), linking the Piceance Basin with the Midwest, which expected to be completed by January 2009.

The March Northwest Colorado Oil and Gas Forum held in Debeque drew 120 folks including Commissioners Potter and De Puey. A presentation by Air Pollution Control Division was very informative. The next Forum is scheduled for June 7, 2007, from 10:00 a.m. until 2:00 p.m. at the Garfield County Fairgrounds.

An update on the Mamm Creek West Divide Creek Gas Seep indicates that benzene is still exceeding Water Quality Control Commission ground water standards.

A presentation on the Phase IV Piceance Basin Baseline Water Quality Study will be made at a future Northwest Oil and Gas Forum and at a future Commission hearing. Chair Mueller asked to have the presentation emailed out to the Commissioners. High levels of sodium chloride have been detected in some of the water wells.

The Phase II Hydrogeological Characterization Project has been awarded to SS Papadopoulos and a kickoff meeting will be held soon.

Southwest Colorado: The COGCC is working to finalize the LT Environmental Inc. (LTE) contract to continue the work on the pilot projects to characterize the impacted aquifers and to test the applicability of several techniques for remediating the residual gas in the gravel terrace deposits and in the ground water aquifers of the Nacimiento Formation related to the Bryce 1-X Well.

There were 30 attendees at the March GORT meeting. The next GORT meeting is scheduled for June 7, 2007, at 8:30 a.m. at the La Plata County Fairgrounds.

Senate Bill 07-198 is the proposed legislation to secure most of the funding for the Fruitland Formation Seep Mitigation Project in La Plata County and the Fruitland Formation Outcrop Monitoring Project in Archuleta County. At the February 21, 2007 meeting with the La Plata County Energy Council and La Plata County Commissioners, funding mechanisms were discussed for proposed strategies to mitigate the effects of methane seepage along the Fruitland Formation Outcrop.

RECORD OF PROCEEDINGS

100 Leaves

Northeast Colorado: The gas and water quality investigation in the Greater Wattenberg Area of the D-J Basin has been completed and the draft final report is being reviewed.

The Ogallala Aquifer Baseline Study has been awarded to URS and will consist of collecting water samples from approximately seventy-seven (77) water wells in Washington and Yuma Counties for organic and inorganic chemical analyses. Approximately \$59,000 is remaining from the allocated funds which will be used for other identified projects.

As part of a FY 2006 budgetary request, the COGCC received funding to conduct a gas and water quality investigation in the Greater Wattenberg Area (GWA) of the D-J Basin. Approximately seventy-eight (78) gas wells and eleven (11) Laramie/Fox Hills water wells in selected townships within the GWA were targeted to be sampled. LT Environmental, Inc. (LTE) has completed the sampling. Permission from the owners of two of the water wells could not be obtained so these wells were not sampled and staff will attempt to sample these water wells at later date. COGCC staff is currently reviewing the draft final report for the project.

The proposed Ogallala Aquifer Baseline Study will consist of collecting water samples from approximately seventy-seven (77) water wells in Washington and Yuma Counties for organic and inorganic laboratory analyses. Proposals for conducting this study were received from 27 environmental consulting companies. The proposal evaluation team has selected URS Corporation and the contract is currently being routed through procurement for the required approvals and signatures. Work should begin sometime in early April 2007.

The Fort Morgan Gas Storage Field (Field) is located approximately five miles south of Fort Morgan, Colorado in Morgan County and is operated by Colorado Interstate Gas (CIG), an El Paso Corporation. The gas storage facility was formerly a producing oil and gas reservoir and has been a natural gas storage operation since 1966. There are currently a total of thirty-two (32) storage and two (2) water disposal wells within the Field. On October 22, 2006, COGCC staff was notified of a casing leak on Well #26 that had necessitated the evacuation of nearby residents. The gas flow from the well was safely shut off on October 22, 2006, and there were no personal injuries. CIG estimates that between 650 and 700 MMcf were lost based on inventory analysis, flow calculations, and chart measurement. COGCC staff is currently reviewing information submitted in response to the NOAV issued to CIG on December 18, 2006. Additional enforcement actions will be evaluated after COGCC staff review is completed. Commissioner Ashby stated that he would like COGCC staff to speak directly with the two affected families.

Southeast Colorado: Field work for the Phase II Raton Basin Seep Mapping Project is scheduled to start in mid- to late March 2007, when road and weather conditions should be more conducive to mapping the seeps and other field activities. Planning and logistical activities such as development of the Field Sampling Plan have been completed. Currently, the contractor is conducting research to attempt to identify historical seeps that may not have been identified during Phase I Raton Basin Study (2000-2003). This research has included contacting local governmental employees, landowners, gas operators, and personnel from the Division of Reclamation, Mining, and Safety.

Several Raton Basin operators have participated in the CDOW DVD that illustrates good examples of oil and gas practices that are being used to minimize and mitigate impacts to wildlife.

COGCC staff completed the review of Lexam Explorations' Applications for Permit-to-Drill (APD) to drill two (2) exploratory wells in the Baca National Wildlife Refuge in Saguache County. COGCC engineering and environmental staff developed the conditions of approval for each APD. Approval of the APDs is pending. The APDs were reviewed with an eye towards the comments provided by the Commissioners last month. Commissioner Ashby would like a copy of the APD conditions. A detailed

RECORD OF PROCEEDINGS

100 Leaves

letter has been prepared as a communication tool to the county and others to describe all that is being considered prior to issuing the APDs.

Staff Organization: The COGCC is pleased to announce the addition of Diana Burn to the staff as an Engineer in Training II (EIT II) in Denver, and Kevin King as an Engineer in Training II (EIT II) in Rifle.

The COGCC is pleased to announce that Carol Harmon has accepted the Enforcement Officer position approved during the 2006 Legislative Session. She will begin work at the COGCC on April 16, 2007. Carol's extensive experience in natural resources law and her education in geology will be highly utilized as this new position is developed.

Figure setting in February remained intact with six (6) new employees anticipated, and two items that may need to be funded by an increase in the mill levy.

The deadline for submittals for the COGCC 2006 Outstanding Operations Award is June 1, 2007. We would like to encourage all parties to begin submitting nominations for the COGCC 2006 Outstanding Operations Awards, which will be presented in the summer of 2007. These nominations should be for oil and gas operations that occurred during calendar year 2006. The nomination form for the awards is available on the COGCC website: [http://oil-gas.state.co.us/Library/Call For Nominations For 2006 Outstanding Operator Awards](http://oil-gas.state.co.us/Library/Call_For_Nominations_For_2006_Outstanding_Operator_Awards).

The COGCC issued a guidance document, available under "Rules" in the COGCC website to assist operators and staff with the requirements to file for a new drilling permit where a previous permit for the well had expired.

The quarterly meeting between the COGCC, WQCC and WQCD was held on March 21, 2007.

Work will start soon by S.S. Papadopoulos & Associates, Inc. who have 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 coalbed methane wells. This work will be similar to the study done last year in the San Juan Basin and extends the assessment to other coalbed methane producing basins of Colorado.

On March 1, 2007, Debbie Baldwin, and Randall Ferguson met with the CDPHE/Air Pollution Control Division (APCD) staff to discuss each agency's roles and responsibilities in regulating the oil and gas industry. Agenda items included the recent Air Quality Control Commission (AQCC) revisions to Regulation 7 to address emission of volatile organic compounds (VOCs) from oil and gas operations. Other topics included agency staffing levels, types of permits issued, inspection objectives, and the potential for cross-media inspections. The COGCC and APCD will continue to work together cooperatively on air quality related matters.

COGCC staff continues to work the Division of Wildlife (DOW) on a video that highlights efforts by operators and both agencies to mitigate challenges to the state's wildlife resulting from energy development. These joint activities have included participating in the preparation of a video by arranging opportunities for the DOW video crew to film oil and gas activities and COGCC staff's field activities.

COGCC staff continues to participate in the Parachute-Piceance-Roan (PPR) Greater Sage Grouse Working Group that is developing a sage grouse conservation plan for Garfield and Rio Blanco Counties.

RECORD OF PROCEEDINGS

100 Leaves

The Northwest Colorado Greater Sage Grouse Conservation Plan was finalized in Craig on March 6, 2007. COGCC staff will continue to work with operators and the DOW to ensure that DOW's recommendations for protecting sage grouse are implemented where possible.

An investigation of oil and gas wells abandoned under the supervision of the COGCC Environmental Response Fund (ERF) program is being planned. The investigation is intended to screen for potentially hazardous environmental conditions in the vicinity of these wells. Proposals to conduct this work were submitted by 10 environmental consulting companies. The work is anticipated to start in April 2007 and is scheduled to be completed by June 30, 2007.

Margaret Ash and Peter Gintautas are participating in the Colorado Water Quality Forum - Agricultural Diversion work group. The most recent meeting was held on February 22, 2007. This work group was formed to address issues and complaints related to current Water Quality Control Commission (WQCC) standards and the Water Quality Control Division (WQCD) discharge permitting process, and to ensure that all downstream uses of water, including irrigation are protected.

Director Macke pointed out that in order to manage drilling fluids operators are reminded to properly incorporate them into the soil so as not to impact water wells.

Public Outreach: Brian Macke, Karen Spray, and Mark Weems participated in the 1st Annual Weed Management Symposium sponsored by the La Plata County Energy Council (LPCEC) on February 22, 2007, at the La Plata County Fairgrounds. Brian Macke provided the keynote discussion about COGCC regulation for the event. A total of nine speakers spoke on various issues regarding weed identification and management in the region. The turnout was very good and plans for a 2nd Annual program are in the works.

Brian Macke and Chris Canfield staffed the COGCC informational exhibit display booth at the Energy Forum and Expo Colorado that was held on Friday, February 23 at the Two Rivers Convention Center in Grand Junction, Colorado. The event was very successful, with approximately 3,500 people in attendance, including citizens, oil and gas operator and service company representatives, and government officials. The event proved to be an excellent opportunity for the COGCC to provide education and outreach to hundreds of people from the Western Slope region.

Brian Macke provided a presentation on Colorado oil and gas activity and COGCC regulation at the Colorado-Wyoming Chapter of the American Fisheries Society 2007 Annual Meeting in Fort Collins on February 27, 2007.

Brian Macke provided an update on oil and gas activity in northwest Colorado and COGCC regulation during a meeting of the Colorado Cattlemen's Association in Walden on March 6, 2007.

Tricia Beaver made a presentation entitled "State Interaction with Indian Development" at the March 6-7, 2007, Indian Lands Energy Investment and Prospects meeting organized by the Independent Petroleum Association of Mountain States and the Council of Energy Resource Tribes. Her talk focused on coordination between the COGCC and the Southern Ute Indian Tribe and Red Willow Production Company.

Debbie Baldwin has been invited to present a review of the COGCC's strategies for protecting water resources and the environment at the Society of Petroleum Engineers Applied Technical Workshop on Coalbed Methane in Durango on March 27, 2007.

Brian Macke has been invited to provide an update on oil and gas development in Colorado and COGCC regulation at the Western Region CSU Cooperative Extension Spring Meeting in Grand Junction on April 19, 2007.

RECORD OF PROCEEDINGS

100 Leaves

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.

Under the Policy For Onsite Inspections On Lands Where The Surface Owner Is Not A Party To A Surface Use Agreement, which was effective for Applications for Permits-to-Drill (APDs) submitted after February 15, 2005, the COGCC has received to date a total of eighty (80) requests for onsite inspections. Sixteen (16) onsite inspections have been conducted, two (2) are in the process of being scheduled, thirty-nine (39) requests for inspections have been withdrawn, and twenty-three (23) onsite inspections are pending and will be scheduled, if necessary, after the APD is received, or after issues related to local governmental designee consultation, location change, or surface use agreements are resolved. Of the eighty (80) requests for Onsite Inspection, forty-four (44) were for locations in Weld County, fourteen (14) for Las Animas County, seven (7) for Adams County, five (5) for La Plata County, three (3) for Yuma County, two (2) for Garfield County and one (1) each for Archuleta, Boulder, Kiowa, Logan, and Morgan Counties.

A preliminary docket for the May 2007 hearing has been provided with seven (7) new items being docketed. Hearing dockets are available on our website by clicking on "Hearings". Links to the hearing applications and notices are available from the Docket Number, respectively.

The National Resource Conservation Service Soil Data Mart was recently added to the COGCC Online Map system. Through these links the public can now get reports on the soil surveys for any area of the state.

The COGCC has become aware of numerous operators who have not been complying with the digital submission of well logs. Effective May 1, 2007, all operators are required to be in compliance with this Rule for all wells completed since July 2004. After May 1, 2007, the COGCC will begin active enforcement to ensure compliance.

No variances have been granted since the last hearing.

There was no report from the Assistant Attorney General.

Commissioner Comments: Commissioner Gerhardt thanked the COGCC staff for the mitigation efforts in La Plata County and stated that since she may not be able to attend the June hearing do not hold it in Durango. Commissioner Potter thanked his wife for attending today's hearing. Chair Mueller thanked Executive Director Harris Sherman and Assistant Director Mike King for attending today's hearing and thanked the COGCC staff for its work to protect the public's health, safety and welfare. He provided a copy of his letter to the Governor to include into the record of today's hearing. Chair Mueller asked about bradenhead data and what is done if there are high bradenhead reports.

Audience Comments: Attorney Bill Keefe indicated in response to Commissioners' questions that if Presco applied for a hearing it would not be before September or October of this year. He also stated that he appeared before the House Committee against HB07-1341 on behalf of the Colorado Petroleum Association and basically told the committee that things are not broken at the COGCC.

Consent Agenda: In response to Chair Mueller'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

RECORD OF PROCEEDINGS

100 Leaves

employed by Williams. Commissioner Ashby is concerned that the technical data for Noble's application to support its increased density request does not refer to any pressure data and wants to be sure that applications or exhibits reference pressure test data. He would like the lack of data to be noted and would like to know if a new application area looks like the Williams pressure test data area. He stated that he would like a discussion on this topic and will continue to push this concept throughout the state. Commissioner Ashby believes there is a need to increase the review of technical data for reservoir engineering and would like to see Noble's attorneys here to discuss this issue. He wants to review the criteria for increased well density. Chair Mueller offered to contact reserve companies to get their data for 10-acre density to determine if this density is the correct density or discuss with operators. Director Macke will discuss with Dave Dillon what type of analysis the COGCC staff can create.

A motion was made by Commissioner Ashby to continue Cause No. 139, Docket No. 0703-SP-09, seconded by Commissioner Potter and approved unanimously to continue to the May hearing.

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

Cause Nos. 1 & 407, Docket No. 0701-UP-01, request for an order establishing a 160-acre drilling and spacing unit consisting of the E $\frac{1}{2}$ SW $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 17, Township 5 North, Range 65 West, 6th P.M., and pooling all nonconsenting interests in said unit, for production from the Sussex, Codell, Niobrara, "J" Sand or Dakota Formations.

Cause Nos. 1 & 407, Docket No. 0701-UP-02, request for an order establishing a 160-acre drilling and spacing unit consisting of the S $\frac{1}{2}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 17, Township 5 North, Range 65 West, 6th P.M., and pooling all nonconsenting interests in said unit, for the production of gas and associated hydrocarbons from the Sussex, Codell, Niobrara, "J" Sand or Dakota Formations.

Cause Nos. 1 & 407, Docket No. 0701-UP-03, request for an order establishing a 160-acre drilling and spacing unit consisting of the S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 16 and the N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 21, Township 5 North, Range 65 West, 6th P.M., and pooling all nonconsenting interests in said unit, for the production of gas and associated hydrocarbons from the Sussex, Codell, Niobrara, "J" Sand or Dakota Formations.

Cause Nos. 1 & 407, Docket No. 0701-UP-04, request for an order establishing an 80-acre drilling and spacing unit consisting of the N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 21, Township 5 North, Range 65 West, 6th P.M., and pooling all nonconsenting interests in said unit, for the production of gas and associated hydrocarbons from the Sussex, Codell, Niobrara, "J" Sand or Dakota Formations.

Cause Nos. 1 & 407, Docket No. 0701-UP-05, request for an order establishing a 160-acre drilling and spacing unit consisting of the SW $\frac{1}{4}$ of Section 17, Township 5 North, Range 65 West, 6th P.M., and pooling all nonconsenting interests in said unit, for the production of gas and associated hydrocarbons from the Sussex, Codell, Niobrara, "J" Sand or Dakota Formations.

Cause Nos. 1 & 407, Docket No. 0701-UP-06, request for an order establishing an 80-acre drilling and spacing unit consisting of the S $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 17, Township 5 North, Range 65 West, 6th P.M., and pooling all nonconsenting interests in said unit, for the production of gas and associated hydrocarbons from the Sussex, Codell, Niobrara, "J" Sand or Dakota Formations.

Cause No. 527, Docket No. 0703-AW-07, 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 for the Williams Fork Formation and no closer than 400 feet for the Iles and Sego Formations, from the outside boundary in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 27, Township 2 South, Range 98 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation.

RECORD OF PROCEEDINGS

100 Leaves

Cause No. 407, Docket No. 0703-UP-09, request for an order pooling all nonconsenting interests in the 80-acre drilling and spacing unit consisting of the W½ NE¼ of Section 12, Township 3 North, Range 68 West, 6th P.M., for the production of gas and associated hydrocarbons from the Codell-Niobrara Formations.

Cause No. 440, Docket No. 0703-SP-10, request for an order to vacate the SE¼ SE¼ from the 320-acre drilling and spacing unit in the E½ of Section 26, Township 6 South, Range 95 West, 6th P.M. and establish an approximate 40-acre drilling and spacing unit for the Williams Fork Formation, 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 outside boundary of the SE¼ SE¼ of said Section 26, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause No. 191, Docket No. 0703-SP-11, request for an order to establish a 320-acre drilling and spacing unit consisting of the S½ of Section 5, Township 6 South, Range 92 West, 6th P.M., for production from the Williams Fork and Iles Formations 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 unit boundary for the Williams Fork and Iles Formations, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause No. 191, Docket No. 0703-SP-12, request for an order to establish a 320-acre drilling and spacing unit consisting of the S½ of Section 1, Township 6 South, Range 93 West, 6th P.M., for production from the Williams Fork and Iles Formations 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 unit boundary, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

The following matter has been withdrawn as indicated:

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 withdrawn.

The following matters have been continued as indicated:

Cause No. 1V, Docket No. 0702-OV-02, request for an Order Finding Violation finding Shelby Resources LLC. in violation of Rule 319.b., failure to abandon a well within six (6) months of ceased production, Rule 326.b.(1), failure to perform a mechanical integrity test on a shut-in well within two (2) years of initial shut-in date for the Andrew Jackson #1 Well located in the SW¼ SW¼ of Section 19, Township 18 South, Range 45 West, 6th P.M., and Rule 1004.a., all debris, abandoned gathering line risers, flowline risers, and surface equipment shall be removed within three (3) months of plugging a well, for the CGA #1-30 Well located in the SW¼ NE¼ of Section 30, Township 18 South, Range 45 West, 6th P.M., was continued to the May 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 May hearing.

Cause No. 139, Docket No. 0703-SP-09, request for an order to establish 40-acre drilling and spacing units for the Williams Fork and Iles Formations, and to allow the equivalent of one (1) well per 10 acres, with the permitted well to be located no closer than 100 feet for the Williams Fork and Iles

RECORD OF PROCEEDINGS

100 Leaves

Formations from the unit boundary for certain lands in Township 7 South, Ranges 94 and 95 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, was continued to the May hearing.

The meeting adjourned at 12:35 p.m.

=====

The Secretary was therefore authorized to issue the following orders:

Order Nos. 1-109 & 407-294, Wattenberg Field, Weld County: Approves the request for an order establishing 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., and pooling all nonconsenting interests in said unit, for production from the Sussex, Codell, Niobrara, “J” Sand or Dakota Formations.

Order Nos. 1-110 & 407-295, Wattenberg Field, Weld County: Approves the request for an order establishing 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., and pooling all nonconsenting interests in said unit, for the production of gas and associated hydrocarbons from the Sussex, Codell, Niobrara, “J” Sand or Dakota Formations.

Order Nos. 1-111 & 407-296, Wattenberg Field, Weld County: Approves the request for an order establishing 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., and pooling all nonconsenting interests in said unit, for the production of gas and associated hydrocarbons from the Sussex, Codell, Niobrara, “J” Sand or Dakota Formations.

Order Nos. 1-112 & 407-297, Wattenberg Field, Weld County: Approves the request for an order establishing an 80-acre drilling and spacing unit consisting of the N½ NW¼ of Section 21, Township 5 North, Range 65 West, 6th P.M., and pooling all nonconsenting interests in said unit, for the production of gas and associated hydrocarbons from the Sussex, Codell, Niobrara, “J” Sand or Dakota Formations.

Order Nos. 1-113 & 407-298, Wattenberg Field, Weld County: Approves the request for an order establishing a 160-acre drilling and spacing unit consisting of the SW¼ of Section 17, Township 5 North, Range 65 West, 6th P.M., and pooling all nonconsenting interests in said unit, for the production of gas and associated hydrocarbons from the Sussex, Codell, Niobrara, “J” Sand or Dakota Formations.

Order Nos. 1-114 & 407-299, Wattenberg Field, Weld County: Approves the request for an order establishing an 80-acre drilling and spacing unit consisting of the S½ NE¼ of Section 17, Township 5 North, Range 65 West, 6th P.M., and pooling all nonconsenting interests in said unit, for the production of gas and associated hydrocarbons from the Sussex, Codell, Niobrara, “J” Sand or Dakota Formations.

Order No. 527-3, Sulphur Creek Field, Rio Blanco 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 for the Williams Fork Formation and no closer than 400 feet for the Iles and Sego Formations, from the outside boundary in the NE¼ NE¼ of Section 27, Township 2 South, Range 98 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork, Iles and Sego Formations.

Order No. 407-300, Wattenberg Field, Weld County: Approves the request for an order pooling all nonconsenting interests in the 80-acre drilling and spacing unit consisting of the W½ NE¼ of Section 12, Township 3 North, Range 68 West, 6th P.M., for the production of gas and associated

hydrocarbons from the Codell-Niobrara Formations.

Order No. 440-43, Rulison Field, Garfield County: Approves the request for an order to vacate the SE¼ SE¼ from the 320-acre drilling and spacing unit in the E½ of Section 26, Township 6 South, Range 95 West, 6th P.M. and establish an approximate 40-acre drilling and spacing unit for the Williams Fork Formation, 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 outside boundary of the SE¼ SE¼ of said Section 26, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Order No. 191-47, 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 Section 5, Township 6 South, Range 92 West, 6th P.M., for production from the Williams Fork and Iles Formations 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 unit boundary for the Williams Fork and Iles Formations, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Order No. 191-48, 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 Section 1, Township 6 South, Range 93 West, 6th P.M., for production from the Williams Fork and Iles Formations 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 unit boundary, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Approved:

Patricia C. Beaver, Secretary

Peter M. Mueller, Chair