

RECORD OF PROCEEDINGS

May 10, 2007

The Oil and Gas Conservation Commission met on May 10, at 9:00 a.m. in Suite 801, The Chancery Building, 1120 Lincoln Street, Denver Colorado, for a hearing in Cause Nos. 133, 139 (2 matters), 369, 399 (2 matters), 440 (2 matters), 479, 510 (2 matters), and 1V.

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 Gerhardt, seconded by Commissioner Reagan, to approve the March minutes with amendments. The minutes were unanimously approved.

Executive Director's Report: Assistant Director of the Department of Natural Resources ("DNR") Mike King spoke about several federal plans currently in the works: 1) Roan Plateau Plan, 2) Hiawatha Plan, 3) Little Snake River Plan, and 4) White River Plan. He stated that multi mineral issues will be addressed in the plans. DNR will be hiring a NEPA Coordinator and an Assistant Director of Energy to help Assistant Director King. DNR will have two weeks to review seven proposals for programmatic Environmental Impact Statements for oil shale. The department is in the process of trying to implement HB07-1341 and implementing Governor Ritter's vision. Mr. King appreciates the Commissioners' comments during the legislative process which were helpful and professional. He believes the industry will be consulted for industry representatives to the Commission and knows that extensive review of potential Commissioners will occur to make sure that no Commissioners appointed have an agenda.

Director's Report: Director Macke stated that the number of approved APDs for 2007 is anticipated to reach 6,186. The APD turnaround time for approval is between 30 and 40 days. There is a backlog of over 700 APDs currently. Of the APDs being issued, 53% result in directionally drilled wells with upwards of 22 wells on a single pad being seen in Garfield County using Flex 4 Rigs with well heads approximately 7.5 to 8 feet apart. Garfield County APDs have significantly increased from 2006. Director Macke believes that conducting more Local Government Designee trainings on the western slope would be appreciated so the COGCC will try to hold the training this summer. The number of permits issued under a surface use bond has increased this year especially in Weld and Las Animas Counties. Director Macke and Hearings Manager Beaver will investigate these increases.

Northwest Colorado: Director Macke highlighted the series of newspaper articles in the Staff Report including articles that the oil and gas industry is reducing emissions and using solar power in Garfield County. The first leg of the Rockies Express pipeline project is expected to be operational in 2008. The second largest natural gas plant in the U.S. will be built between Rifle and Meeker in conjunction with this pipeline project.

Director Macke along with several COGCC staff toured EnCana's South Piceance produced water handling facilities.

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The next Northwest Colorado Oil and Gas Forum is scheduled for June 7, 2007, from 10:00 a.m. until 2:00 p.m. at the Garfield County Fairgrounds in Rifle.

EnCana has asked for the ability to use 2 drilling rigs in the east Mamm Creek area. The COGCC staff has conducted a review and is continuing to process information surrounding this request. Garfield County has indicated its concurrence with a second rig. Since the COGCC has six staff centered in the Rifle area, the use of 2 rigs can be easily monitored.

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. High levels of sodium chloride have been detected in some of the water wells.

Garfield County has awarded the contract for the Phase II Hydrogeologic Characterization Project to S. S. Papadopoulos & Associates and field work will begin in early June. This is another Public Project In Lieu of Fines that will be funded by EnCana.

The 2006 Annual Water Sampling Report has been submitted by PRESCO, Inc. This report presents the results of the surface and ground water sampling and analysis that took place in 2006 in the vicinity of Battlement Mesa in Garfield County. The purpose of this sampling, in conjunction with the 2004 baseline and 2005 annual sampling events, is to document water quality conditions prior to and during PRESCOs' development of natural gas resources in the area.

The COGCC is initiating a water quality investigation in Moffat County just west of Craig, Colorado. Approximately twenty-five (25) water wells in Townships 6 and 7 North, Range 92 West, 6th P.M. will be sampled for general water quality parameters and dissolved methane concentration. Recent permitting for coalbed methane wells in this area of Moffat County has generated the need to establish baseline ground water quality data from water wells.

Southwest Colorado: LT Environmental Inc. (LTE) submitted a proposal for 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. This work will include pumping and recovery, insitu- air sparing, in-well aeration, and active and passive vapor extraction testing. The new contract has been executed and a kick-off meeting was held on April 20, 2007. A soil gas survey has recently been completed and the results will be available soon. Staff is working with LTE and the landowners to obtain access to the water wells in the area for additional hydrogeologic testing.

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. Possible topics for this meeting include the results and recommendations of the visual mitigation study that La Plata County has conducted and proposed revisions to the County's codes related to oil and gas development.

Brian Macke, Debbie Baldwin, and Wendy Schultz testified in support of Senate Bill 07-198, which 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. The bill is being sponsored by Senator Isgar and Representative Roberts. It would appropriate \$4,452,000 to the COGCC from the Oil and Gas Conservation and Environmental Response Fund over a three year period commencing July 1, 2007, and ending June 30, 2010. The COGCC would use up to \$2,944,000 of this appropriation to determine the most cost-effective methods of mitigating the seepage of methane gas and to expand the existing monitoring network along the outcrop of the Fruitland Formation in La Plata County, and up to \$1,508,000 to install monitoring wells in the Fruitland Formation in Archuleta County.

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Northeast Colorado: 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. Seventy-eight (78) gas wells and nine (9) Laramie/Fox Hills water wells in selected townships within the GWA were sampled by LT Environmental, Inc. (LTE). COGCC staff is 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. The proposal evaluation team selected URS Corporation (URS) and the contract has been signed and approved. A kick-off meeting was held at the COGCC offices on April 4, 2007, and URS has begun contacting land owners and collecting water samples.

The Fort Morgan Gas Storage Field (Field) is located approximately five (5) 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. Ninety-one (91) cone penetrometer (CPT) rig locations were drilled and completed with piezometers. Laboratory results of the initial sampling event indicated that sixteen (16) CPT locations had methane concentrations greater than 2 mg/l and ranging from 2.5 mg/l to 18.0 mg/l. Additionally, fifty-six (56) irrigation wells have been canvassed for sampling potential. The air inside the casing of twenty-seven (27) of these was screened for methane. Methane concentrations ranging from 4 to 32 % Lower Explosive Limit (LEL) were detected in the air inside the casing in three (3) of these wells.

Southeast Colorado: 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, and the APDs were approved on April 3, 2007. The COGCC engineering and environmental staff developed numerous conditions of approval for each of the APDs that were designed to protect underground sources of water in the area as well as public health, safety, welfare and the environment. On May 8, 2007, a lawsuit was filed by San Luis Valley Ecosystem Council against the U.S. Fish & Wildlife Service.

On April 17, 2007, a house that was being built in Las Animas County exploded, injuring three workers and destroying the house. A preliminary investigation by the Stonewall District Fire Chief indicated that the source of the explosion appeared to be methane. This determination was based on the fact that there was no gas hook up or other source of explosive materials onsite and coal beds crop out near the building site. The COGCC became aware of the incident on April 18, 2007, when Peter Gintautas, Southeast Colorado Environmental Protection Specialist, noticed an article describing the incident in the Trinidad newspaper. Mr. Gintautas notified personnel in the Denver COGCC office and initiated contact with local emergency response personnel and the initial investigators. COGCC staff reviewed COGCC records and it was determined that there are three wells, which were plugged and abandoned in the 1980s, located near the explosion site. One well actually appears to be located adjacent to or possibly underneath the house. These wells are plotted on the COGIS MapGuide and data concerning drilling and completion are contained on the COGIS database. While responding to this emergency situation, COGCC staff and its environmental contractors developed a multi-phased plan to determine the source of the methane that caused the explosion and to ensure that public health, safety, welfare and the environment are protected during our investigation and until mitigation of the methane seepage is achieved. The total estimated cost for this work is Seventy Four Thousand Nine Hundred Fifty dollars (\$74,950.00). The investigation

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and review of the mitigation measures include both the explosion site and the Primero School. On April 27, 2007, the Commission authorized, in accordance with §34-60-124(7), C.R.S., the expenditure of the required Seventy Four Thousand Nine Hundred Fifty dollars (\$74,950.00) from the One Million Five Hundred Thousand dollars (\$1,500,000) Emergency Response line item of the Oil and Gas Conservation and Environmental Response Fund for the investigation of the cause of the explosion and lingering impacts associated with methane seepage in the area. In addition, COGCC staff worked with DNR procurement to obtain an emergency purchase order for the expenditure of the funds. COGCC staff is working cooperatively with property owners and their insurance company (Farmers Insurance Company), the Farmers Insurance Company's investigators (TDI Investigations), Las Animas County, the City of Trinidad, Gustavson Associates, Cornerstone Construction, Cornerstone Construction's insurance company (Safeco Insurance Company), the Stonewall Fire Protection District, Primero School District, Pioneer Natural Resources USA, Inc., and other interested parties.

Staff Organization: The FY 2007-08 Long Bill (SB 07-239) has been signed by the House and Senate and was sent to Governor Ritter on April 23rd for his signature. The final version of the bill included the COGCC's seven decision items approving 6 full time employees and funding along with funding for several contractors to address special projects.

The deadline for submittals for the COGCC 2006 Outstanding Operations Award is June 1, 2007. These nominations should be for oil and gas operations that occurred during calendar year 2006.

COGCC staff continues to work with 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.

Debbie Baldwin presented 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 participated in the Delta County Natural Gas Collaborative Group Meeting that was held on April 4, 2007 in Montrose, Colorado. The purpose of the meeting, which was coordinated by Delta County Commissioner Olen Lund, is to bring together representatives of the natural gas industry and federal, state, and local government officials to disseminate information about natural gas development in the area and to develop ways to address community issues and concerns with natural gas development.

Randall Ferguson attended an open house meeting conducted by Colorado Interstate Gas (CIG) on April 17, 2007 in Bennett, Colorado. The purpose of the meeting was to introduce to the public the proposed Totem Gas Storage Field Project.

Brian Macke provided 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.

Brian Macke participated 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.

The COGCC staffed an informational exhibit display booth at the 5th annual Energy Expo that was held at the Garfield County Fairgrounds on May 2, 2007. The Energy Expo, which was sponsored by EnCana and other oil and gas operators and service companies, had over 80 exhibits providing information on natural gas exploration and production.

Brian Macke participated as a moderator on an oil and natural gas panel at the "Fueling Thought – Trends in Energy" summit in Craig on May 4, 2007. The event was organized to provide educational

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information about energy resource development in Northwest 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.

Four variances under Rule 502.b. were granted as follows: A variance to Texas American Resources Company to allow for a change in its surface casing design for the Leech 22-26 Well, located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 26, Township 1 South, Range 66 West, 6th P.M.

A variance to Noble Energy Inc. for the approval of drilling and spacing unit changes for Order Nos. 139-45, 139-51, 139-59 and 139-61 in Section 18, Township 8 South, Range 95 West, 6th P.M.

A variance for an exception location to Thomas L. Spring, LLC for the Ward #1-30 Well in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 30, Township 30 South, Range 45 West, 6th P.M.

A variance for an exception location to Rosetta Resources Operating LP for the Stults #24-9 Well located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24, Township 1 South, Range 45 West, 6th P.M.

There was no report from the Assistant Attorney General.

John Peterson of LT Environmental presented the Bondad Soil Gas Survey & Preparation for Testing Mitigation Alternatives.

Commissioner Comments: Commissioner Ashby asked about the two families affected by the Fort Morgan Storage site. Commissioner Potter commented on the good work that Williams has been performing in Garfield County and also asked about the status of the Department of Energy's report on Project Rulison. Commissioner Potter asked if the COGCC was developing bottomhole location data for its database and asked about tying water data analytical results to a water layer on the GIS. Commissioner Gerhardt thanked the environmental group for their work in La Plata County. Commissioner De Puey continues to be concerned about air quality on the western slope and would like to see diesel generators on rigs. He believes that dust control continues to be a problem and there are particulate issues between Debeque and Silt. Commissioner De Puey would like to see an action plan from developers to address these issues. He has also noticed trash and debris flying off industry-related trucks. Commissioner Reagan believes that the Commission should conduct business as usual and not worry about what will happen with the passage of HB0-71341 including voting for a new Vice Chair. Chair Mueller called for nominations for a Commission Vice Chair. Commissioner Potter was nominated by Commissioner Ashby and seconded by Commissioner Gerhardt. Commissioner Reagan moved to close the nominations and the Commission unanimously approved Sam Potter as Vice Chair.

Audience Comments: Attorney Mike Wozniak attended the recent IOGCC meeting where everyone he spoke with had positive comments about Director Macke. He was told that Colorado is perceived as a bellwether state with the most environmentally balanced rules that protect correlative rights and prevent waste. He spoke of his appreciation of former Vice Chair Brian Cree's ability to work through difficult issues and ability to run a quick meeting in the Chair's absence.

Brian Cree, former Commissioner offered his congratulations to Sam Potter on the vice chair election and thanked the Commissioners, Director Macke and Tricia Beaver for their support during his tenure on the Commission. He stated that he would like to see the Commissioners continue to serve the state of Colorado. Chair Mueller presented Mr. Cree with an official pump jack plaque to commemorate his service on the Commission.

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, Vice Chair

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Potter mentioned that he has an ongoing relationship with Williams and his son is employed by Williams. Vice Chair Potter asked Commissioner Ashby about his satisfaction with Noble's application and Commissioner Ashby stated his concern that the reservoir engineering data needs to be enhanced. He thinks that incremental reserves should be disclosed and believes that the information at hand should be used. Vice Chair Potter believes that the Commission is reaching a level of utility for using the reservoir engineering data from the Williams study.

A motion was made by Commissioner De Puey to approve the consent agenda, seconded by Commissioner Reagan and approved unanimously for the following matters:

Cause No. 133, Docket No. 0705-AW-08, request for an order to allow up to eight (8) wells to be optionally drilled in the 320-acre drilling and spacing unit for certain lands consisting of the SW¼ of Section 18 and the NW¼ of Section 19, Township 12 North, Range 100 West, 6th P.M., for the production of gas and associated hydrocarbons from the Wasatch, Fort Union-Lance-Lewis and Mesaverde Formations.

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. for the production of gas and associated hydrocarbons from the Mesaverde Group, with the permitted well to be located no closer than 200 feet from the lease line.

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 for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, with the permitted well to be located no closer than 100 feet for the Williams Fork and Iles Formations from the unit boundary for certain lands in Township 7 South, Ranges 94 and 95 West, 6th P.M.

Cause Nos. 139, 440, 479 and 510, Docket No. 0705-AW-09, request for an order to allow the equivalent of one (1) well per 10 acres for the production of gas and associated hydrocarbons from the Williams Fork Formation, with the permitted well to be located no closer than 100 feet from the outside boundary for the S½ N½ of Section 13, Township 6 South, Range 96 West, 6th P.M.

Cause Nos. 369 and 399, Docket No. 0705-AW-10, request for an order to allow the equivalent of one (1) well per 20 acres for production of gas and associated hydrocarbons from the Williams Fork and Iles Formations (including but not limited to the Rollins, Cozzette and Corcoran), with the permitted well to be located no closer than 200 feet from the unit boundary and no closer than 400 feet from any existing Williams Fork Formation and Iles Formation wells, for certain lands in Townships 8 through 10 South, Ranges 92 and 93 West, 6th P.M.

Cause No. 510, Docket No. 0705-AW-12, request for an order to allow the equivalent of one (1) well per 10 acres for the production of gas and associated hydrocarbons from the Williams Fork Formation, with the permitted well to be located no closer than 100 feet from the unit boundary and no closer than 200 feet from any lease line for certain lands in Township 5 South, Range 96 West, 6th P.M.

Cause No. 440, Docket No. 0705-SP-13, request for an order to vacate the 640-acre drilling and spacing unit consisting of Section 19, Township 7 South, Range 95 West, 6th P.M. established in Order No. 440-18 and designate two (2) 320-acre drilling and spacing units consisting of the N½ and S½ of said Section 19 for the production of gas and associated hydrocarbons from the Williams Fork Formation and allow the equivalent of one (1) well per 20 acres, with the permitted well to be located no closer than 200 feet from the unit boundary.

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Cause No. 1V, Docket No. 0705-OV-03, request to approve an Administrative Order by Consent finding Berry Petroleum Company in violation of Rule 303.a., failure to have an approved Application for Permit-to-Drill prior to drilling the Long Ridge LR 15B M16 595 Well, located in the SW¼ SW¼ of Section 16, Township 5 South, Range 95 West, 6th P.M.

The following matter has 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 June hearing.

A hearing was held on the application of Kerr McGee Oil & Gas Onshore LP ("Kerr McGee"), in Cause No. 1, Docket No. 0705-AW-11, request for an order to vacate Order No. 1-41, which established a high density area for the N½ of Section 8, Township 1 North, Range 68 West, 6th P.M. and place the lands under the provisions of the Rules & Regulations of the Commission and applicable orders in Cause Nos. 232, 407, 493, 496 and 499, for the production of gas and associated hydrocarbons from the Cretaceous Age Formation. In the alternative the applicant is seeking an exception to the location requirements set out in Order No. 1-41, as provided in Rule 603.e.(6).

Chris Hayes and David Little, attorneys for Applicant Kerr McGee and Michael Morgan, attorney for Protestant Parkland Estates Home Owners Association ("Parkland") and Nawal and Vibha Sarma were present, along with numerous residents from Parkland Estates.

AAG Tim Monahan discussed the issues and his interpretation of the Applicant's request and the Protestants' motions and issues. He described his belief that a variance under Rule 502.b. is the proper way to proceed on this matter.

Mr. Hayes responded to AAG Monahan's comments and Mr. Morgan disagreed with proceeding under Rule 502.b.

Chair Mueller and Commissioner Ashby are concerned about granting a waiver but thinks requesting a variance makes sense. Vice Chair Potter believes that continuing the matter if the Protestants are not ready to proceed under a Rule 502.b. request would be preferable. Commissioner Gerhardt would like to hear some testimony today. Commissioner De Puey recused himself from the matter. The hearing was adjourned briefly so that a conference with the Applicant and Protestant could be held by AAG Monahan to discuss options on how to proceed. Upon reconvening the hearing AAG Monahan discussed the difficulty in moving forward when there is no variance proposal before the Commission. Kerr McGee will endeavor to get a variance proposal to the Commission by the end of next week or beginning of the following week. The parties have agreed that there needs to be a continuance.

Chris Hayes, agreed that Kerr McGee will submit a variance proposal as soon as its surveyors can gain access and would like a continuance for 30 days.

Michael Morgan, would like a continuance for 60 days due to the location of the June hearing and the need to negotiate over the variance proposal.

Commissioner Gerhardt supports the 60 day continuance as do the other Commissioners who will consider holding the hearing near Erie. AAG Monahan suggested that a status report be provided by

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both parties at the June hearing. Kerr McGee committed to having a list of surface owners by May 14. Accordingly the matter was continued to the July hearing.

The meeting adjourned at 2:45 p.m.

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The Secretary was therefore authorized to issue the following orders:

Order No. 133-25, Hiawatha West Field, Moffat County: Approves the request for an order to allow up to eight (8) wells to be optionally drilled in the 320-acre drilling and spacing unit for certain lands consisting of the SW¼ of Section 18 and the NW¼ of Section 19, Township 12 North, Range 100 West, 6th P.M., for the production of gas and associated hydrocarbons from the Wasatch, Fort Union-Lance-Lewis and Mesaverde Formations.

Order No. 399-2, Vega Field, Mesa County: Approves the request for an order to allow the equivalent of one (1) well per 20 acres for the production of gas and associated hydrocarbons from the Mesaverde Group 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.

Order No. 139-73, Rulison Field, Garfield County: Approves the request for an order to establish 40-acre drilling and spacing units for the production of gas and associated hydrocarbons 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 for the Williams Fork and Iles 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.

Order Nos. 139-74, 440-44, 479-19 and 510-34, Parachute & Rulison Fields, Garfield County: Approves the request for an order to allow the equivalent of one (1) well per 10 acres for the production of gas and associated hydrocarbons from the Williams Fork Formation, with the permitted well to be located no closer than 100 feet from the outside boundary for the S½ N½ of Section 13, Township 6 South, Range 96 West, 6th P.M.

Order Nos. 369-3 and 399-3, Buzzard Creek & Vega Fields, Mesa County: Approves the request for an order to allow the equivalent of one (1) well per 20 acres for production of gas and associated hydrocarbons from the Williams Fork and Iles Formations (including but not limited to the Rollins, Cozzette and Corcoran), with the permitted well to be located no closer than 200 feet from the unit boundary and no closer than 400 feet from any existing Williams Fork Formation and Iles Formation wells, for certain lands in Townships 8 through 10 South, Ranges 92 and 93 West, 6th P.M.

Order No. 510-35, Trail Ridge Field, Garfield County: Approves the request for an order to allow the equivalent of one (1) well per 10 acres for the production of gas and associated hydrocarbons from the Williams Fork Formation, with the permitted well to be located no closer than 100 feet from the unit boundary and no closer than 200 feet from any lease line for certain lands in Township 5 South, Range 96 West, 6th P.M.

Order No. 440-45, Parachute Field, Garfield County: Approves the request for an order to vacate the 640-acre drilling and spacing unit consisting of Section 19, Township 7 South, Range 95 West, 6th P.M. established in Order No. 440-18 and designate two (2) 320-acre drilling and spacing units consisting of the N½ and S½ of said Section 19 for the production of gas and associated hydrocarbons from the Williams Fork Formation and allow the equivalent of one (1) well per 20 acres, with the permitted well to be located no closer than 200 feet from the unit boundary.

Order No. 1V-309, Parachute Field, Garfield County: Approves the request to approve an Administrative Order by Consent finding Berry Petroleum Company in violation of Rule 303.a., failure to have an approved Application for Permit-to-Drill prior to drilling the Long Ridge LR 15B M16 595 Well, located in the SW¼ SW¼ of Section 16, Township 5 South, Range 95 West, 6th P.M.

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Patricia C. Beaver, Secretary

Approved:

Peter M. Mueller, Chair