

RECORD OF PROCEEDINGS

August 19, 2008

The Oil and Gas Conservation Commission met on August 19, 2008 at 8:00 a.m. in Ballroom B of the Brown Palace Hotel, 321 Seventeenth Street, Denver, Colorado, for a hearing in Cause Nos. 191, 510, 520, and 1V.

Those present were:

Harris Sherman	Chair
Joshua Epel	Vice Chair
Rich Alward	Commissioner
Tom Compton	Commissioner
Mark Cutright	Commissioner
Michael Dowling	Commissioner
Kim Gerhardt	Commissioner
Trési Houpt	Commissioner
Jim Martin	Commissioner
Kelly Rees	Assistant Attorney General
David Neslin	Acting Director
Tricia Beaver	Hearings Manager

A motion was made by Commissioner Dowling to approve the July 2008 minutes, seconded by Commissioner Martin, and unanimously approved.

There was no report from the Executive Director's Office.

There was no verbal report from the Acting Director, however, a written staff report was provided.

There was no report from the Assistant Attorney General.

There were no comments from the Commissioners.

There were no comments from the audience.

The August hearing was abbreviated so that rulemaking deliberations could commence.

Consent Agenda: A motion was made by Commissioner Martin to approve the consent agenda matters, seconded by Dowling, and approved unanimously. The following matters were approved:

Cause No. 191, Docket No. 0808-SP-21, Garfield County, request for an order to establish a 320-acre, a 160-acre and an 80-acre drilling and spacing unit and allow one well per 10 acres, with the permitted well to be located no closer than 100 feet to the boundaries of the unit for certain lands in Section 13, Township 6 South, Range 92 West, 6th P.M., for production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause No. 510, Docket No. 0808-AW-22, Garfield County, request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 200 feet from the unit boundary for certain lands in Townships 5 and 6 South, Ranges 97 and 98 West, 6th P.M., for production of gas and associated hydrocarbons from the Iles Formation.

Cause No. 520, Docket No. 0807-UP-17, Huerfano County, request for an order to establish certain 320-acre drilling and spacing units for certain lands in Townships 29 and 30 South, Range 69 West, 6th P.M., for the production of gas and associated hydrocarbons from the Entrada and Dakota Formations, and to pool the nonconsenting interest located in the W½ of Section 2,

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Township 30 South, Range 69 West, 6th P.M., for the development and operation of the Entrada and Dakota Formations.

A motion was made by Commissioner Martin to approve the proposed AOC matter, seconded by Commissioner Dowling, and approved unanimously. The following matter was approved:

Cause No. 1V, Docket No. 0808-OV-15, Las Animas County, request to approve an Administrative Order by Consent for failure by Pioneer Natural Resources USA, Inc. to comply with Rule 902.g., construction of a pit in fill material, and Rule 907.a.(1), failure to ensure that E&P waste is properly stored, handled or disposed to prevent threatened significant adverse environmental impacts to water, soil or biological resources, at the Erin #21-15 Well site located in the NE¼ NW¼ of Section 15, Township 33 South, Range 67 West, 6th P.M.

The following matters have been continued to the September 2008 hearing:

Cause No. 139, Docket No. 0807-AW-19, Garfield County, request for an order allowing the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the outside boundary for the S½ NW¼ and N½ SW¼ of Section 8, Township 7 South, Range 93 West, 6th P.M., for production of gas and associated hydrocarbons from the Williams Fork Formation and to allow the equivalent of one well per 20 acres for production from the Iles Formation in said lands.

Cause No. 386, Docket No. 0808-AW-23, Mesa County, request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the unit boundary for certain lands in Township 9 South, Range 92 West, 6th P.M., for production of gas and associated hydrocarbons from the Mesaverde Group.

Cause No. 429, Docket No. 0808-AW-24, Mesa County, request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the unit boundary for certain lands in Section 15, Township 9 South, Range 94 West, 6th P.M., for production of gas and associated hydrocarbons from the Mesaverde Group.

Cause No. 510, Docket No. 0808-SP-20, Garfield County, request for an order to vacate a 552.72-acre drilling and spacing unit and establish two approximate 276-acre drilling and spacing units and allow one well per 10 acres, with the permitted well to be located no closer than 100 feet to the unit or lease line boundary for certain lands in Section 1, Township 6 South, Range 97 West, 6th P.M., for production of gas and associated hydrocarbons from the Mesaverde Group.

The hearing adjourned at 8:15 a.m., at which time rulemaking deliberations commenced.

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The Secretary was therefore authorized to issue the following orders:

Order No. 191-55, Mamm Creek Field, Garfield County: Approves the request for an order to establish a 320-acre, a 160-acre and an 80-acre drilling and spacing unit and allow one well per 10 acres, with the permitted well to be located no closer than 100 feet to the boundaries of the unit for certain lands in Section 13, Township 6 South, Range 92 West, 6th P.M., for production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Order No. 510-44, Trail Ridge Field, Garfield County: Approves the request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 200 feet from the unit boundary for certain lands in Townships 5 and 6 South, Ranges 97 and 98 West, 6th P.M., for production of gas and associated hydrocarbons from the Iles Formation.

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Order No. 520-5, Oakdale Field, Huerfano County: Approves the request for an order to establish certain 320-acre drilling and spacing units for certain lands in Townships 29 and 30 South, Range 69 West, 6th P.M., for the production of gas and associated hydrocarbons from the Entrada and Dakota Formations, and to pool the nonconsenting interest located in the W½ of Section 2, Township 30 South, Range 69 West, 6th P.M., for the development and operation of the Entrada and Dakota Formations.

Order No. 1V-330, Las Animas County: Approves the request to approve an Administrative Order by Consent for failure by Pioneer Natural Resources USA, Inc. to comply with Rule 902.g., construction of a pit in fill material, and Rule 907.a.(1), failure to ensure that E&P waste is properly stored, handled or disposed to prevent threatened significant adverse environmental impacts to water, soil or biological resources, at the Erin #21-15 Well site located in the NE¼ NW¼ of Section 15, Township 33 South, Range 67 West, 6th P.M.

Patricia C. Beaver, Secretary

Approved:

Harris Sherman, Chair