

## RECORD OF PROCEEDINGS

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February 25 - 26, 2008

The Oil and Gas Conservation Commission met on February 25 and 26, 2008 at 9:00 a.m. in Suite 801, The Chancery Building, 1120 Lincoln Street, Denver Colorado, for a hearing in Cause Nos. 1V, 1, 369 and 399, 1 (2 matters), 112, 290, and 531.

Those present were:

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

Commissioner Martin made a motion to approve the January minutes, seconded by Commissioner Houpt and approved unanimously.

Executive Director's Report: Due to illness, Executive Director Sherman was not in attendance.

Director's Report: Acting Director Neslin stated that 827 APDs were approved as of February 15, 2008, which at this rate would result in an approximately 3% increase over the number of APDs issued last year.

Northwest Colorado: The Garfield County Phase II Hydrogeologic Characterization Project is being conducted for Garfield County by S.S. Papadopoulos & Associates. This is another Public Project In Lieu of Fines that will be funded by EnCana. Task 1 - Domestic Water Well Sampling was completed in August, 2007. Task 2 - Gas Well Sampling was completed in December 2007. This sampling event included the collection of both produced water samples and production gas samples from selected wells. Final results were received in January 2008 and the project database is currently being updated. Evaluation of both Task 1 and Task 2 water quality data will be initiated in February 2008, as will preparation of the draft report. A water quality results guideline pamphlet is being prepared for distribution with water well sampling results.

On January 15, 2008, several nearby landowners requested an adjudicatory hearing and the denial of certain approved and pending APDs for wells located within 3 miles of the Project Rulison test site. Hearings Manager Tricia Beaver notified them that under COGCC rules, they could not request an adjudicatory hearing and that their request would instead be treated as a complaint under Rule 303.k. Acting Director Neslin later concluded that they had failed to meet the requirements for relief under Rule 303.k. During January and February, Acting Director Neslin approved 17 APDs, in addition to the 2 Noble Energy APDs approved on December 21, 2007. All of these wells are located more than one-half mile from the Rulison test site.

The alluvial aquifer underlying the Plateau Creek drainage area provides a significant ground water resource with principal uses of the water including irrigation, private domestic supply, and public supply. With a significant increase in drilling activity in Mesa County, COGCC staff will be conducting a study of the baseline water quality of the Plateau Creek drainage area. The work will consist of collecting water samples from selected water wells and surface water locations for laboratory analyses of both organic and inorganic analytes. The result will compliment the previously completed

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Plateau Field Baseline Study and provide a more comprehensive baseline database for use by COGCC staff when responding to landowners alleging impacts to water wells from oil and gas activities in western Colorado. A Scope of Work (SOW) is being prepared for this work.

The next Northwest Colorado Oil and Gas Forum is scheduled for March 6, 2008, from 10:00 a.m. until 2:00 p.m. at the Garfield County Fairgrounds in Rifle.

Southwest Colorado: On behalf of the COGCC, Four Corners Geoscience (FCG) collected ground water samples from 4 Bondad area domestic water wells in December 2007 to evaluate potential changes in methane concentrations in the ground water. Two wells were removed from the monitoring program at the request of the well owner. Field methane concentrations remain high in the North and Fire Station water wells, but the overall concentration of methane in all but the South water well showed a net decrease. A slight rise in methane concentration was noted in the South water well during this sampling. Isotopic analyses of the gases appear to indicate the methane is undergoing bacterial oxidation. Additional sampling will be conducted in 2008 to monitor and quantify any trends. A soil gas survey was conducted by LT Environmental (LTE) in mid-January 2008 using the same grid as previous soil gas surveys. LTE reported verbally to the COGCC that methane was not detected in the shallow soils, which is consistent with the two previous soil gas surveys. A final written report is pending. Additional soil gas surveys will continue in 2008 to verify the lack of methane in the shallow soils.

The next GORT/Southwest Colorado Oil and Gas Stakeholders meeting will be on March 13, 2008, from 8:30 a.m. to noon in the La Plata Room at the La Plata County Fairgrounds.

Debbie Baldwin, Karen Spray, and Steve Lindblom continue to work with La Plata County Energy Council, La Plata and Archuleta County, and USFS/US BLM personnel to develop work plans for the gas seep monitoring and mitigation projects in La Plata and Archuleta Counties. COGCC has received a draft Scope of Work and cost proposal from the Colorado Geological Survey (CGS) that outlines a plan to conduct detailed geologic mapping of the Fruitland Formation outcrop in Archuleta County. Staff has developed the Scope of Work for the gas seep mitigation project in La Plata County and is working with DNR Purchasing to finalize the Request for Proposals (RFP). Staff is developing the Scope of Work for the Archuleta County Fruitland Formation monitoring well project.

A new operator, Red Mesa Holdings/O&G LLC, has taken over operations of the previous Star Acquisition VIII properties located near Marvel, Colorado. They are working with both La Plata County and COGCC representatives to ensure the operations meet both county and state codes and rules. There are no COGCC rule violations at the wells at this time.

Senate Bill 07-1180 Rulemaking hearing is planned to be published by March 10, for a March 31 and April 1, 2008 hearing.

Northeast Colorado: The COGCC will be performing a baseline water quality study in the Upper Crow Creek Designated Ground Water Basin in northern Weld County. The High Plains Aquifer is present in this area and makes up an important regional aquifer in eastern Colorado. The study is being undertaken due to an increase in drilling activity in this area. A Scope of Work is currently being prepared for this study.

Southeast Colorado: COGCC staff have prepared an application for a hearing to determine the party responsible for properly plugging and abandoning the City of Trinidad MGP #1 Well (API 05-071-06045). This matter will be heard at today's COGCC hearing.

At the January 15, 2008, hearing, COGCC staff and representatives from Petroglyph Energy Inc. (Petroglyph) and their consultants Norwest Questa Engineering and Applied Hydrology answered questions regarding Petroglyph's proposed Methane Investigation Mitigation and Monitoring Plan

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(MIMMP), and proposed Order No. 1C-6. An amended order was approved at the January 2008 hearing. Norwest Applied Hydrology, on behalf of Petroglyph, continues screening water wells in a 14-square-mile area centered on the area where water wells have been impacted by thermogenic methane. At the request of landowners, 2 impacted water wells located in Sections 10 and 15, Township 29 South, Range 67 West, are being screened and monitored by the COGCC and its contractor Whetstone Environmental. The December 12, 2007, presentations and Petroglyph's MIMMP and monitoring update are available on the COGCC website ([www.cogcc.state.co.us](http://www.cogcc.state.co.us)) library. The monitoring data are also available for download from the COGCC website library. Petroglyph initiated Phase 1 of the plan after the January 15, 2008, hearing. On January 18, 2008, Norwest Applied Hydrology submitted an additional data package to the EPA for the injection wells and extraction well project. On February 2, 2008, a drill rig mobilized to the site of the proposed monitoring well and started drilling. A total depth of 1,080 feet was reached on February 9, 2008. The well is scheduled to be completed and then logged (cement bond log and cased hole neutron). Additional testing will be scheduled after the well is completed and logged. Petroglyph will be sampling water wells in and around the mitigation ring with landowner permission. This sampling will occur during the first 30 days after drilling of the monitoring well started. Dissolved methane will be analyzed in these water samples. COGCC staff will continue to present updates to the Commission in the staff reports and at hearings. Staff will also present updates on monitoring and on the progress of the plan at Huerfano County Commission meetings in Walsenburg (Huerfano County Courthouse). The first of the informational meetings in Walsenburg will be March 5, 2008, at 10:05 a.m.

**Staff Organization:** At the Department of Natural Resources' figure setting hearing on February 7, 2008, the Joint Budget Committee (JBC) approved, with modifications, the COGCC's FY 2008-09 budget request, which included 21 new full-time employees, additional lease space, and 5 contractors. The new positions were approved at the State's "range-minimum" salary levels. The COGCC's request for more competitive, above-range-minimum salaries for new positions requiring an engineering, geological, or environmental background was denied by the JBC. This means that 5 positions would not be filled and COGCC will need to back to the legislature to try to fund these positions.

**Planning/Administration:** COGCC and DNR-EDO staff continue to meet with representatives of the Division of Wildlife (DOW) and with representatives of the different divisions of the Colorado Department of Public Health and Environment (CDPHE) to develop our strategy for implementing requirements of HB 07-1298 and HB 07-1341. At the conclusion of these meetings, preparation of the draft rules will commence.

A preliminary docket for the March 2008 hearing has been provided. The application filed by Lexam Explorations in the San Luis Valley will be heard at the March/April hearing.

Two variances were granted: one to EnCana Oil & Gas (USA) Inc. in Garfield County and one to Wiepking-Fullerton Energy LLC, in Lincoln County.

There was no report from the Assistant Attorney General.

**Commission Comments:** Commissioner Houpt asked if COGCC staff is planning to respond to the La Plata County letter on Fruitland outcrop concerns. Commissioner Cutright mentioned that at most public meetings there have been comments about rules being in place and COGCC not enforcing our pit violation rules. He stated that Randall Ferguson, COGCC Environmental Protection Supervisor, gave a great presentation to the northeast Colorado chapter of COGA. Commissioner Gerhardt stated that she will not seek reappointment as a Commissioner when her term expires July 1<sup>st</sup>. Commissioner Alward stated that he has given several presentations on the proposed rulemakings, and that he attended the Club 20 winter meeting and the Energy Expo.

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Audience Comments: Chris Hayes, attorney for 70 Ranch LLC, regarding the Bonanza Creek matter on the consent agenda, described the concerns raised by 70 Ranch in its Rule 510 Statement and how it hopes to resolve those concerns. Mike Morgan, attorney for Bonanza Creek, does not believe surface concerns are appropriately part of a pooling application and believes it would be chaos for the Commission to consider matters filed late. Bonanza Creek will hold the lease open for at least 30 days from now. They have been trying to negotiate a surface use agreement since April 2007. He described the number of meetings that have been held and the number of agreements that have been attempted.

Consent Agenda: In response to the question regarding whether any Commissioners have a conflict of interest with any of the matters on the Consent Agenda, Vice Chair Epel stated that DCP Midstream has Delta as a customer. Commissioner Cutright stated that he has a financial interest in Bonanza Creek and Cohort and therefore will recuse himself from these two matters. He also stated that Delta is also a customer of his company. Michael Wozniak, attorney for Delta, described how Delta is handling the Bureau of Reclamation letter and how Delta plans to take the Bureau of Reclamation and Department of Parks on a tour of Delta's operations. Vice Chair Epel will take up each Consent Agenda matter individually since there is also someone who wants to speak about the Jackson County matter.

A motion was made by Commissioner Martin, seconded by Commissioner Compton to approve the Bonanza Creek matter, Cause No. 232 and 1, Docket No. 0801-UP-01, and approved by all except Commissioner Cutright who recused himself.

A motion was made by Commissioner Martin to approve the Cohort matter, Cause No. 290, Docket No. 0802-AW-05, seconded by Commissioner Dowling, and approved by all except Commissioner Cutright who recused himself.

A motion was made by Commissioner Martin to approve the McElvain matter, Cause No. 112, Docket No. 0802-AW-06, seconded by Commissioner Houpt, and approved unanimously.

A motion was made by Commissioner Dowling to approve the Delta matter, Cause Nos. 1, 369, 399, Docket No. 0802-AW-07, seconded by Commissioner Martin, and approved unanimously. Commissioner Dowling and the other Commissioners agree with the explanation from Delta, regarding concerns raised by an adjacent mineral owner.

A motion was made by Commissioner Martin to approve the EOG matter, Cause No. 531, Docket No. 0802-SP-07, seconded by Commissioner Compton, and approved unanimously.

Carol Harmon, COGCC Enforcement Officer described the Administrative Order By Consent in Cause No. 1V, Docket No. 0802-OV-02, to the Commissioners. After questions from the Commissioners were answered by COGCC staff and Noble Energy's attorney, a motion was made by Commissioner Martin to approve the AOC, seconded by Commissioner Compton, and approved unanimously.

The following matters were approved:

Cause No. 1, Docket No. 0801-UP-01, request for an order to establish 160-acre drilling and spacing units consisting of the NW¼ of Section 18, Township 5 North, Range 62 West, 6<sup>th</sup> P.M., and the NW¼ and SW¼ of Section 24, Township 5 North, Range 63 West, 6<sup>th</sup> P.M., and to pool all nonconsenting interests in said units for the drilling of various wells for the development and operation of the Dakota, "J" Sand, Codell and Niobrara Formations.

Cause No. 290, Docket No. 0802-AW-05, request for an order to allow 3 additional wells, for a total of 4, in the 320-acre drilling and spacing units in certain lands in Township 10 North,

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Ranges 93 and 94 West, 6<sup>th</sup> P.M., with the permitted well to be located no closer than 990 feet from the outer unit boundary, for production from the Middle Lewis Formation.

Cause No. 112, Docket No. 0802-AW-06, request for an order to allow 2 additional wells, for a total of 4, in the 320-acre drilling and spacing units consisting of the E½ of Section 17, in Township 32 North, Range 6 West, N.M.P.M., and in the E½ of Section 18, Township 33 North, Range 8 West, N.M.P.M., with the permitted well to be located no closer than 660 feet from the outer unit boundary, with no interior quarter section setback, for the production of gas and associated hydrocarbons from the Fruitland coal seam.

Cause Nos. 1, 369, 399, Docket No. 0802-AW-07, 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 Townships 8 and 9 South, Range 92 West, 6<sup>th</sup> P.M., and Townships 8½, 9 and 10 South, Range 93 West, 6<sup>th</sup> P.M., and to allow wells to be located no closer than 100 feet from the exterior boundary of the Vega Federal Unit, for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Cause No. 531, Docket No. 0802-SP-03, request for an order to establish various drilling and spacing units and to allow the option of a second horizontal well with the permitted well to be located no closer than 600 feet from the unit boundary, for certain lands in Townships 6 and 7 North, Range 80 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Niobrara Formation.

Cause No. 1V, Docket No. 0802-OV-02, request to approve an Administrative Order by Consent finding Noble Energy, Inc. in violation of Rule 324A.a., for the unauthorized discharge of gas from the Wailes 41-33 #1-X Well, located in the NE¼ NE¼ of Section 33, Township 1 South, Range 64 West, 6<sup>th</sup> P.M.

After a motion was requested by Vice Chair Epel to go into Executive Session, a motion was made by Commissioner Houpt, seconded by Commissioner Martin, and approved unanimously. It was determined that no record should be kept of the executive session. A motion was made by Vice Chair Epel, seconded by Commissioner Houpt to go back into regular session, and approved unanimously. AAG Rees stated that the Commission made no decisions at its Executive Session.

The following matters have been continued as indicated:

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, 6<sup>th</sup> 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 Formations. 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), or as requested in the amended application, a variance under Rule 502.b. to the permitted location set out in Order No. 1-41, was continued to the March hearing.

Cause No. 139, Docket No. 0802-AW-03, 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 outside boundary for certain lands in Township 7 South, Range 94 West, 6<sup>th</sup> P.M., production from the Williams Fork Formation, was continued to the March hearing.

Audience Comments regarding the Rulemaking Process: Suzanne O'Neill, Colorado Wildlife Federation, spoke about her involvement in the rulemaking process. Commissioner Compton asked whether landowner participation has occurred and she responded in the affirmative.

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TJ Brown, Front Range Field Director for Colorado Environmental Coalition, stated that he is looking forward to seeing the draft rules after working through the process.

Gwen Lachalt, Oil and Gas Accountability Project Director and co-founder, has worked on rulemaking for over 20 years with industry always complaining about how the cost of rulemaking will run the industry out of the state, and this has never happened.

Project Rulison Update: Two applications were filed by Luke Danielson late Friday, February 22<sup>nd</sup> and were briefly discussed. The Commissioners do not believe the Hearings Manager's decision and response to Mr. Danielson matter should be docketed for hearing and do not agree that the new statutes enacted in 2007 can be looked to now to docket these matters.

Senator Isgar and Representative Curry visited with the Commission to remind them of their responsibility to promulgate rules under HB07-1180. Acting Director Neslin described the timing for noticing the rules and conducting the hearing in March.

The need to extend the date for HB07-1341 rules to be promulgated was discussed. Senator Isgar mentioned that if the Commission felt it needed more time beyond July 1, 2008, they could ask for it. Commissioner Houpt asked about whether an extension to July 16, 2008 would require additional action. Representative Curry responded that she would write a narrow bill with Senator Isgar for an extension. Commissioner Cutright stated his concern that all rules proposed will be contested and thus the deadlines should be September. Representative Curry stated her concern about wildlife groups and their interpretation of the statute.

A motion was made by Commissioner Dowling to change the draft resolution date seeking an extension to July 16, 2008, seconded by Commissioner Compton, and approved by all except Commissioner Gerhardt.

A motion was made by Commissioner Gerhardt to change the date to July 18, 2008 seconded by Commissioner Compton, and not approved.

Mike King, facilitator for Wildlife Stakeholder Workgroup and Deputy Director of DNR, spoke on the progress the wildlife group has made.

Commissioner Houpt would like a discussion on the dates when the proposed rules would go into effect prior to the rulemaking hearing. Acting Director Neslin stated that it would be addressed in the draft rules.

A hearing was held in Cause No. 1, Docket No. 0802-OV-03, responsible party determination. Carol Harmon, COGCC Enforcement Officer, presented the staff's case with witnesses John Gustavson, Prospect Resources, and David Dillon, COGCC Engineering Manager.

Lance Astrella, attorney for the City of Trinidad, called as witnesses for the City's case James Fernandez, City of Trinidad, Mark Passamaneck, Forensic Engineer, and Richard Bate, Attorney.

Susan Aldridge, attorney representing John Gustavson, indicated that she would not present any witnesses as Mr. Gustavson is a witness for the COGCC staff.

The following attorneys were present representing their clients as described: Richard Pruett, attorney, recently hired to represent APGA; Ron Schindler, attorney for Pioneer Resources; Ben Ochoa, attorney representing Halliburton who was hired by Gustavson to plug and abandon the Trinidad MGP #1 Well, Brad Bressleau, attorney representing the Bouviers and their insurance company.

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John Gustavson, President of Prospect Resources, described his involvement in the drilling and plugging of the Trinidad MGP Wells, including his involvement with APGA and the City of Trinidad. Mr. Gustavson was cross examined by Mr. Astrella, Mr. Bressleau and Mr. Ochoa, and questioned by Commissioner Cutright.

David Dillon, COGCC Engineering Manager presented testimony to describe the history of the Trinidad MGP #1 Well as shown by the documents in the well file and the financial assurance file. The COGCC staff did not call Mr. Fernandez as a witness.

A motion was made by Commissioner Martin to consider the Trinidad MGP #1 an orphaned well, seconded by Commissioner Houpt. Commissioner Dowling questioned why the matter should not go forward in the same manner as staff has always interpreted an operator. Commissioner Compton stated that he is not comfortable declaring this as an orphan well. Commissioner Cutright agreed with Commissioner Compton, that the City was the lease holder. Commissioner Alward clarified that if this motion is adopted then the Commission is not taking a position. Commissioner Dowling also agreed with Commissioner Compton, that operations were conducted and paid for on behalf of the City. Commissioner Houpt believes there could be other responsible parties. Vice Chair Epel does not believe the staff has met its burden of proof. Commissioner Alward stated that owner/operators often hire someone else to do the work, and he does not think the person who has been hired to do the work should be the responsible party. Commissioner Dowling asked what Commissioner Martin thinks could happen if the COGCC staff plugs and abandons the well and then goes after the money in court. A motion was made by Commissioner Martin to vote on finding the well as an abandoned well. Commissioners Alward, Martin Houpt and Epel voted in favor of the motion and Commissioners Gerhardt, Dowling, Compton and Cutright voted against the motion. The motion to categorize the well as orphaned failed.

The hearing adjourned at 5:45 p.m. and resumed at 9:34 a.m. on February 26, 2008, in Suite 801, the Chancery Building, 1120 Lincoln Street, Denver Colorado, to continue the hearing in Cause No. 1, Docket No. 0802-OV-03.

Lance Astrella, attorney for the City of Trinidad, argued in favor of his Motion to Dismiss. Carol Harmon, COGCC Enforcement Officer, responded to the Motion to dismiss. Mr. Astrella stated that the motion is to dismiss the City from the responsible party matter based on the fact that the COGCC staff did not produce any evidence to show that the City conducted any oil and gas operations. Commissioner Compton asked whether E & P Waste can be defined to include dewatering operations. Commissioner Dowling believes the City is the operator and that they are the responsible party, and does not believe the motion should be granted. Commissioner Houpt believes the past practice seems to be in conflict with the law and wants the Commission to take a close look at the rules to make sure they are not in conflict with the statute. She is concerned that when local governments accept a grant, they are not technically able to execute the grant. Commissioner Alward is not sure in light of the comments from Commissioner Compton if the City is actually a responsible party and may be since they seem to have conducted operations. Commissioner Dowling believes at first blush the case has been made by the staff and he would rather have the court overturn the Commission's decision rather than the Commission not decide. Vice Chair Epel does not see a precedent being set by this matter. The following Commissioners voted in favor of the Motion to Dismiss: Commissioners Alward, Martin, Houpt, Epel. The following Commissioners voted against the Motion to Dismiss: Commissioners Gerhardt, Dowling, Compton and Cutright. The Motion to Dismiss failed.

AAG Rees stated that five members are needed to pass a motion, and with a split vote at the end of the day the COGCC staff has not met its burden of proof. There will need to be an affirmative motion.

Mr. Astrella presented the City's case by calling James Fernandez, City of Trinidad Department Head, who testified about the City's involvement in the project with APGA and the MGP Wells. Mr. Fernandez

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was cross examined by Mr. Harmon and Ms. Aldridge. Mark Passamaneck, forensic engineer who holds a degree in mechanical engineering, testified about possible causes for the leak in the Trinidad MGP #1 Well, and stated that the cause of the leak cannot be determined. Ms. Harmon cross examined Mr. Passmaneck. Richard Bate, attorney and instructor at the Denver University Law School testified about the definition of operator and owner, and what those terms mean in the industry. Mr. Bate was cross examined by Ms. Harmon and Mr. Bressleau.

Closing statements were made by Ms. Harmon, Mr. Astrella, Mr. Bressleau, Ms. Aldridge and Mr. Ochoa. Vice Chair Epel made a motion to find the City of Trinidad to be the responsible party under §34-60-124(7) and (8), C.R.S. (2007) and Rule 524. for natural gas leaking from the Trinidad MGP #1 Well, API #05-071-6045, located in the NW¼ NW¼ of Section 32, Township 33 South, Range 66 West, 6<sup>th</sup> P.M., seconded by Commission Dowling. Commissioner Houpt commented that this is the same motion that was made yesterday that failed. The following Commissioners voted against the motion: Commissioner Alward, Martin, Houpt, Dowling and Epel. The following Commissioners voted in favor of the motion: Commissioners Gerhardt, Compton and Cutright. The motion failed. Commissioner Martin made a motion to direct the COGCC staff to plug and abandon the well, seconded by Commissioner Houpt, and approved unanimously.

The hearing adjourned at 12:05 p.m.  
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The Secretary was therefore authorized to issue the following orders:

Order No. 1-122, Wattenberg Field, Weld County: Approves the request for an order to establish 160-acre drilling and spacing units consisting of the NW¼ of Section 18, Township 5 North, Range 62 West, 6<sup>th</sup> P.M. and the NW¼ and SW¼ of Section 24, Township 5 North, Range 63 West, 6<sup>th</sup> P.M., and to pool all nonconsenting interests in said units for the drilling of various wells for the development and operation of the Dakota, “J” Sand, Codell and Niobrara Formations.

Order No. 290-3, Big Hole Field, Moffat County: Approves the request for an order to allow 3 additional wells, for a total of 4, in the 320-acre drilling and spacing units in certain lands in Township 10 North, Ranges 93 and 94 West, 6<sup>th</sup> P.M., with the permitted well to be located no closer than 990 feet from the outer unit boundary, for production from the Middle Lewis Formation.

Order No. 112-209, Brush Creek Field, La Plata County: Approves the request for an order to allow 2 additional wells, for a total of 4, in the 320-acre drilling and spacing units for certain lands consisting of the E½ of Section 17, Township 32 North, Range 6 West, N.M.P.M., and in the E½ of Section 18, Township 33 North, Range 8 West, N.M.P.M., with the permitted well to be located no closer than 660 feet from the outer unit boundary, with no interior quarter section setback, for the production of gas and associated hydrocarbons from the Fruitland coal seam.

Order Nos. 1-124, 369-4, 399-3, Buzzard Creek & Vega Fields, Mesa 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 100 feet from the unit boundary for certain lands in Townships 8 and 9 South, Range 92 West, 6<sup>th</sup> P.M., and Townships 8½, 9 and 10 South, Range 93 West, 6<sup>th</sup> P.M., and to allow wells to be located no closer than 100 feet from the exterior boundary of the Vega Federal Unit, for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Order No. 531-1, Unnamed Field, Jackson County: Approves the request for an order to establish various drilling and spacing units and to allow the option of a second horizontal well with the permitted well to be located no closer than 600 feet from the unit boundary, for certain lands in Townships 6 and 7 North, Range 80 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Niobrara Formation.



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Order No. 1V-318, Adams County: Approves the Administrative Order finding Noble Energy, Inc. in violation of Rule 324A.a., for the unauthorized discharge of gas from the Wailes 41-33 #1-X Well, located in the NE¼ NE¼ of Section 33, Township 1 South, Range 64 West, 6<sup>th</sup> P.M.

Order No. 1-125, Las Animas County: Finds that there is insufficient evidence to determine that the City of Trinidad was the responsible party for the natural gas leaking from the Trinidad MGP #1 Well located in the NW¼ NW¼ of Section 32, Township 33 South, Range 66 West, 6<sup>th</sup> P.M. Authorizes the COGCC staff to utilize money from the Oil and Gas Conservation and Environmental Response Fund to retain suitable contractors to perform the re-entering and re-plugging of the Trinidad MGP #1 Well.

Approved:

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Patricia C. Beaver, Secretary

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Harris Sherman, Chair