

RECORD OF PROCEEDINGS

January 15, 2008

The Oil and Gas Conservation Commission met on January 15, 2008 at 9:00 a.m. in Suite 801, The Chancery Building, 1120 Lincoln Street, Denver Colorado, for a hearing in Cause Nos. 1C, 1V, 1 and 232, 139 (2 matters), 429, and 510.

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

Commissioner Dowling provided an amendment to the December minutes, after which Commissioner Martin made a motion to approve the minutes, seconded by Commissioner Gerhardt and approved unanimously.

Executive Director’s Report: Executive Sherman stated that Governor Ritter submitted comments on the Roan Plateau to the Bureau of Land Management (BLM) with two changes: 1) a phased leasing program and 2) a dramatic expansion of the Areas of Critical Environmental Concern (ACECs).

Director’s Report: Acting Director Neslin stated that almost 6,400 APDs were processed in 2007, an increase of 8% from 2006. He described the meeting between the BLM where COGCC learned that the BLM has 100 fulltime employees devoted to oil and gas and that the BLM issued 800 APDs last year. While the NEPA process is part of their approval process, this does not take a large portion of time.

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. Produced water samples and production gas samples are currently being analyzed; results are expected to be received within the next 2-to-3 weeks. The analytical results of both the water well and gas well sampling will be included in the final report.

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 collected ground water samples from the Bondad area domestic water wells to evaluate potential changes in methane concentrations in the ground water. Field methane concentrations remain high in the North and Fire Station water wells and are still detectable in the others. Laboratory analytical results are pending. Additional soil gas surveys will continue in 2008 to verify the lack of methane in the shallow soils.

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

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gas seep monitoring and mitigation projects in La Plata and Archuleta Counties. Funding for these projects comes from the COGCC mill levy on production. Preliminary work to identify locations for monitoring wells is being conducted in both La Plata and Archuleta Counties. The Fruitland–Pictured Cliffs contact has been mapped at several locations along the outcrop in Archuleta County and several proposed well locations were inspected by COGCC and USFS staff in September 2007. Surface access agreements with federal agencies and private property owners are in the process of being negotiated and memorialized. COGCC is moving forward with arrangements to have the Colorado Geological Survey (CGS) conduct detailed geologic mapping of the Fruitland Formation outcrop in Archuleta County. The 4M Technical Working Group met on December 4, 2007. The primary focus of this meeting was to nominate permanent group members and to review draft Scope(s) of Work that will be used in COGCC Request(s) for Proposals (RFP) to procure the services of third-party contractor(s). On behalf of the COGCC, Norwest Applied Hydrology (AHA) visited each of the existing Fruitland monitoring wells to download data and perform repairs to the systems, as needed. Downloading monitoring data using the telemetry with which the wells are currently equipped is no longer possible because of changes in telephone service in the area. AHA is preparing an Annual Report that will be available in the near future.

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.

Northeast Colorado: The Fort Morgan Gas Storage Field (Field) is located approximately 5 miles south of Fort Morgan, Colorado, in Morgan County and is operated by Colorado Interstate Gas (CIG), an El Paso Corporation. Remediation activities associated with the October 22, 2006, release of gas from this facility continue. A supplemental remediation work plan was received by the COGCC on October 15, 2007. COGCC staff has reviewed the plan and a conditional approval of it is pending. The supplemental remediation work plan included a shallow seismic program, which has been completed. Preliminary laboratory results from the November 2007 sampling event indicated a benzene concentration of 5.0 µg/l in a ground water sample collected from CPT #11S. No other BTEX constituents were detected.

Limited subsurface investigations were performed by the COGCC at orphaned O-Sand/heavy oil sites in Logan County in May 2007. The purpose of the investigations was to evaluate the extent of hydrocarbon-impacted soil associated with the historic use of earthen production pits at these sites. COGCC staff is reviewing the costs for, the acceptability of, and the effectiveness of the different remediation techniques, and will prioritize our efforts at the 10 different locations.

The information from the seismic survey will be used to help identify possible locations for passive venting wells and ground water monitoring will continue on a quarterly basis. In addition to the ongoing remedial investigation, CIG recently backfilled sinkholes in a field to the southeast of the plant that were formed during the original release of gas. They have also coordinated with the Utility Notification Center of Colorado to inform contractors working in the area of the possibility of methane occurring in the shallow subsurface surrounding the plant.

Southeast Colorado: At the December 12, 2007, hearing COGCC staff and representatives from Petroglyph Energy Inc. (Petroglyph) and their consultants Norwest Questa Engineering and Applied Hydrology presented the results of the ongoing investigations, Petroglyph's proposed Methane Investigation Mitigation and Monitoring Plan (MIMMP), and proposed Order No. 1C-6. Approval of the order was continued until today's 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 the landowner, the impacted water well located in Section 15, Township 29 South, Range 67 West is being screened and monitored by the COGCC and its contractor Whetstone Environmental. Petroglyph submitted a data report on December 20, 2007, that included gas flow measurements and fluid level data for the monitoring tasks outlined in the MIMMP.

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COGCC staff continue to work with the City of Trinidad and its representatives to resolve the NOAV that was issued in response to an explosion caused by gas emanating from the City of Trinidad MGP #1 Well (API 05-071-06045. COGCC staff are preparing an application for a responsible party hearing to resolve the disagreement regarding who is responsible for properly plugging and abandoning this well.

Staff Organization: The COGCC is pleased to announce the addition of Shaun Kellerby to the staff as an Engineering Physical Science Technician II in the Rifle area. Shaun is from Grand Junction and has studied Geology at Mesa State College. He has over 10 years experience in the oil and gas industry and previously worked for Halliburton Energy Services in Grand Junction. Shaun replaces Franki Carver as a Northwest Area field inspector.

Planning/Administration: COGCC staff received a letter from the U.S. Fish and Wildlife Service (USFWS), dated August 16, 2007, which documented USFWS's observations during a flyover and subsequent inspections on August 13, 2007, at several oil and gas facilities located in Washington County. USFWS's letter cited 4 locations with significant pit problems. These locations were inspected by COGCC staff on August 24, 2007. Each of the 4 locations had violations related to oil on pits, insufficient berms, and/or covers (netting) in disrepair. On September 7, 2007, COGCC field inspectors commenced widespread inspections to address pit violations and any other violations observed during inspections at locations with pits. From September 7, 2007, through November 20, 2007 (not including the original 4 NOAVs referenced above), NOAVs related to pit violations have been issued for locations in Adams County (13), Arapahoe County (7), Elbert County (2), Larimer County (16), Logan County (5), Morgan County (2), Washington County (30), and Weld County (1), for a total of 76 NOAVs. Corrective action is complete and has been verified in the field by COGCC staff for 29 of the 76 NOAVs. On November 9, 2007, USFWS presented COGCC staff with a token of appreciation to recognize COGCC's spirit of cooperation with USFWS in addressing our mutual concerns with pit compliance in northeast Colorado.

HB 07-1298 and HB 07-1341 initial pre-draft rulemaking proposal has been provided and we have received approximately 100 to 150 comments from local governments, industry and citizens. Local governments have raised the issue of preemption as a concern regarding the proposed rules. Industry has raised concern about delays in APD processing with approval from CDPHE after consultation, from the Form 34 process, and with adjacent land owner notification. Environmental and conservation groups have raised questions about whether the Comprehensive Development Plan (CDP) should be required and not voluntary. Citizens are concerned about chemicals used at drilling sites and access to that information. There have been a series of public meetings in oil and gas producing areas. The Parachute meeting drew between 350 and 400 folks with Commissioners Alward and Cutright in attendance. The Greeley meeting had between 250 to 300 attendees, the meeting in Wray had 100 attendees and the meeting in Durango had about 400 attendees. Commissioner Cutright has attended all of the meetings to date. The stakeholder groups consist of the Process Group (facilitated by Tim Atkison), Wildlife Group, (facilitated by Mike King), Environmental and Health Group, (facilitated by Connie Lewis), Additional Regulations Group, (facilitated by Jeff Welborn), and Studies Group, (facilitated by Paul Orbuch).

The Commissioners offered positive feedback on the meetings ranging from the presenters' willingness to listen to all people wishing to speak, to how smooth the meetings have been run to comments regarding how informative the Rulemaking webpage and its related information have been.

A preliminary docket for the February 2008 hearing has been provided.

A variance was granted to Chevron USA Inc. in accordance with Rule 502.b. on December 27, 2007. The variance is for the approval of an Application for Permit-to-Drill the S. A. Guiberson #5 Well in NE¼ NE¼ of Section 18, Township 2 North, Range 102 West, 6th P.M., Rio Blanco County. This is a Weber Sandstone well within the Rangely Weber Sand Federal Unit. Rule 603.a.(2) requires that

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wells within a federal unit be located not less than 150 feet from a surface property line. The variance will allow the surface location of this well to be 121 feet from the unit boundary. Chevron has obtained signed waivers representing 58.33% of the interests in encroached-upon surface property. They received no protests from the 3 (25% interest) surface owners who received waiver request letters in March 2007. Two letters (16.67% interest) were returned to Chevron unopened, with one marked "deceased" and the other marked "unclaimed."

There was no report from the Assistant Attorney General.

Wally White, La Plata County Commissioner, thanked Mr. Neslin and others for meeting with the Commissioners yesterday morning prior to the public meeting in Durango and was also grateful for coming over to the Process Group meeting this morning and hopes that the preemption issue can be successfully resolved. Mr. White stated that he looks forward to new rules that everyone can work with. Chair Sherman stated that the preemption issue is very important and we will work closely on this with the affected parties.

Commission Comments: There were no additional comments.

Audience Comments: There were none.

Consent Agenda: Commissioner Cutright stated that his company does business with Berry Petroleum and Bonanza Creek. A motion was made by Commissioner Dowling to approve all consent agenda matters except Bonanza Creek, seconded by Commissioner Martin, and approved unanimously. A motion was made by Commissioner Martin to approve Bonanza Creek, seconded by Commissioner Dowling, and approved unanimously. The following matters were approved:

Cause No. 139, Docket No. 0801-AW-01, 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 Section 31, Township 6 South, Range 94 West, 6th P.M., for the development and operation of the Williams Fork Formation.

Cause No. 139, Docket No. 0801-AW-02, 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 29, Township 7 South, Range 93 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause No. 429, Docket No. 0801-AW-04, 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 the E½ NE¼ of Section 23, Township 9 South, Range 94 West, 6th P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation, including the Williams Fork, Rollins, Cozzette and Corcoran Formations.

Cause No. 510, Docket No. 0801-SP-01, request for an order to vacate the 320-acre drilling and spacing units established in Order No. 510-18 for Sections 5 and 6, Township 6 South, Range 96 West, 6th P.M. and establish five (5) drilling and spacing units of various sizes, for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Cause Nos. 232 & 1, Docket No. 0801-SP-02, request for an order to segregate the 320-acre drilling and spacing unit consisting of the S½ of Section 9, Township 4 North, Range 63 West, 6th P.M., into 2 drilling and spacing units consisting of the SW¼ and SE¼ of said Section 9, for the production of gas and associated hydrocarbons from the "J" Sand Formation, and to establish a 160-acre drilling and spacing unit consisting of the SE¼ of said Section 9, for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations.

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, 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 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 February hearing so that settlement discussions can continue.

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, 6th P.M., and the NW¼ and SW¼ of Section 24, Township 5 North, Range 63 West, 6th 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, was continued to the February hearing.

Cause No. 112, Docket No. 0710-AW-22, request for an order to allow 2 additional wells for a total of 4 in the 320-acre drilling and spacing units in certain lands in Township 34 North, Ranges 9 and 10 West, N.M.P.M., with the permitted well to be located no closer than 660 feet from the outer unit boundary, for the production of gas and associated hydrocarbons from the Fruitland coal seams, was continued to the May hearing.

Cause No. 112, Docket No. 0801-EX-01 (formerly 0801-AW-03), request for an order to allow a well to be drilled within one and one-half miles of the outcrop contact between the Fruitland and Pictured Cliffs Formations in the 320-acre drilling and spacing unit in the E½ of Section 3, Township 34 North, Range 9 West, N.M.P.M., for the production of gas and associated hydrocarbons from the Fruitland coal seams, was continued to the May hearing.

A presentation on the Administrative Order By Consent (AOC) was made in Cause No. 1V, Docket No. 0801-OV-01, Fort Morgan Gas Storage facility operated by Colorado Interstate Gas (CIG).

Carol Harmon, COGCC Enforcement Officer described to the Commissioners the revised AOC with changes to paragraph 54, 55 and 57 and the staff's approach in negotiating the AOC.

Dave Dillon, COGCC Engineering Manager described the purpose of gas storage fields and how they are generally permitted and regulated. He presented the history of the Fort Morgan Field, which is located approximately 5 miles south of the town of Fort Morgan and encompasses an area 1½ miles north to south and 1¼ miles east to west. He also described the details of the release and showed diagrams of the well construction.

Randall Ferguson, COGCC Environmental Supervisor, described the chronology of gas release events and provided photos to show craters, fissures and other surface impacts from the gas release. He described the chronology of the regulatory oversight and of the enforcement process including the corrective action required, and that an additional NOAV was issued August 31, 2007.

Carol Harmon, COGCC Enforcement Officer, summarized the key provisions of the AOC highlighting what CIG is required to do, the rule violations, and the penalty of Three Hundred Seventy-Four Thousand dollars (\$374,000). She described that the parties have been negotiating on this matter for one year and have been working on the AOC for approximately 7 months.

Matt Mask, Director of Operations for CIG, Rocky Mountain Division, described CIG's mission and environment and health culture. He described CIG's emergency response once landowners alerted CIG of the gas release. CIG was not operating the field when the incident occurred and so no injection or withdrawal was occurring. Within 1 week all but 2 families returned home. CIG bought those 2

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homes (5 acres to 10 acres each) and land around the craters totaling 137 acres, and paid farmers not to cut silage.

Larry Kennedy, Manager of Reservoir Services for CIG, explained that his department is in charge of integrity and monitoring of gas storage facilities. The storage area equals 3220 acres total with 8½ BCF gas cycled through the field. There is between 8% and 15% porosity in the field with approximately 225 millidarcies of permeability. He also described the routine monitoring of the storage operations and stated his belief that the leak occurred on September 9, 2006 although this date is disputed by COGCC staff. Mr. Kennedy also described the #26 Well incident.

Stacey Malerba, Project Manager with URS and consultant to CIG, described the environmental investigation that URS conducted for CIG. She described the reports that have been and will be produced, the conclusions to date and described continued activities for 2008.

After questions posed by the Commissioners to COGCC staff and CIG staff, Vice Chair Epel made a motion to adopt the AOC, seconded by Commissioner Houpt and approved unanimously.

A hearing was held in Cause No. 1, Docket No. 0712-GA-02, Petroglyph Energy, Inc. in response to Cease and Desist Order No. 1C-5, to return to production Petroglyph's 52 wells and to demonstrate to the Commission's satisfaction that it can return its wells to production in a manner that protects public health and safety for certain lands in Townships 28 and 29, Range 67 West, 6th P.M.

Commissioner Cutright disclosed that his company drilled five of Petroglyph's wells prior to his employment.

Chair Sherman asked for COGCC staff and Petroglyph's planned presentations and stated his belief that no public comments should be allowed since no new testimony is being presented.

Carol Harmon, COGCC Enforcement Officer, stated that this was a continuation of the December hearing matter and that parties made formal presentations at that hearing. COGCC staff and Petroglyph have provided written responses to the December 18, 2007 Commissioner questions and she stated that COGCC staff would like to highlight several responses after Petroglyph's update.

Ken Wonstolen, attorney for Petroglyph, provided a follow-up to the last hearing regarding: 1) a new monitor that Petroglyph has indentified, which is a device that gives both a visual and audible alert, along with a safety technician who can who can assist homeowners, 2) the owners of the trailer near the Apogee seep have not decided if they plan to remain or leave but Petroglyph has made an offer to install detection equipment, 3) a monitoring well has been permitted with the State Engineer's Office (SEO) for an approximate 1000 foot depth and is expected to be drilled at the end of January. The Environmental Protection Agency will allow Underground Injection Control (UIC) wells to be drilled under Rule authorization and is waiting on COGCC's decision today regarding going forward, 4) methane recovery wells are being worked on with the SEO with an intent to have a rig in the basin to drill all of the water wells, and 5) Petroglyph had a meeting with the SEO and was asked to provide a copy of the monthly report to the State Engineer, which Petroglyph has done. Mr. Wonstolen read from the third paragraph of Petroglyph's response letter to River Ranch, which was COGCC staff's response to a Commissioner question.

In response to Commissioners' questions about which agencies have jurisdiction, Carol Harmon identified the Water Quality Control Division, Environmental Protection Agency, State Engineer's Office, etc. She stated that the staff supports the phased approach as described in the supplemental order including the Director's ability to stop the plan from going forward and requiring a hearing. The staff met with the Department of Water Resources staff who agreed with COGCC that obtaining additional information is helpful. COGCC staff have worked with Petroglyph to identify benchmarks to help evaluate progress.

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Richard Goodwin, President of River Ridge Ranch (RRR) Homeowners Association described the content of their concerns in their January 8, 2008 letter to Acting Director Neslin and does not understand why a hearing would not be held after each phase before approval to move on to the next phase so that citizens can participate. The RRR letter and their recommended order were accepted into the record.

Mr. Wonstolen stated that Petroglyph needs a regulatory plan to move forward.

Ms. Harmon stated that the COGCC staff believes that the phased approach addresses public health, safety and welfare and the COGCC staff agrees to be involved in discussions with Petroglyph and the residents.

Commissioner Compton asked for clarification on how Petroglyph can move into the next phase(s).

Commissioner Martin asked if the monitoring systems in place will provide COGCC with up-to-the-minute information to know what is happening so that protection of public health, safety and welfare is ensured.

Commissioner Alward believes that more specific data should be included so that everyone knows what the standards are for monitoring.

Commissioner Houpt asked about the number of wells being monitored.

Commissioner Dowling stated his earlier belief that Phase I would lead to dewatering and knows now that is not true.

Vice Chair Epel stated that he is comfortable with Phases I & II but has questions on Phase III.

Chair Sherman moved the Commissioners into deliberation.

Chair Sherman stated that Mr. Goodwin expressed concerned that since the Commission did not receive the letter from RRR in advance they had not been able to consider it before deliberating. There was a fifteen minute break so the Commissioners could to review the RRR letter and supplemental order.

Commissioner Houpt would like to add many of the RRR recommendations.

Commissioner Dowling finds Phase I to be completely unobjectionable and believes the jury is out on Phases II and III. He thinks many of RRR's suggestions are worth considering.

Commissioner Cutright believes the first concern is to mitigate the methane in the water wells.

Vice Chair Epel believes it is appropriate to ask the COGCC staff to communicate with the residents rather than ordering Petroglyph to do so.

Commissioner Alward is as comfortable as he can be with Phases I and II and with the idea that Phase III is likely to be modified with results from Phases I and II. He is okay with the proposed order.

Commissioner Martin agrees with his fellow Commissioners and believes that frequent reporting to the Commission and the citizens is important and does not believe suggestions from RRR are needed to amend the supplemental order.

A motion was made by Vice Chair Epel to adopt the supplemental order with changes to the second paragraph of the order. Changes were also proposed by Commissioner Martin, who seconded the motion.

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Commissioner Houpt would like to add language for COGCC staff to have a community meeting to update residents of all Phases.

Commissioner Martin believes the order is applicable to Petroglyph not COGCC staff, and perhaps it is better to direct staff to meet.

Commissioner Alward pointed out that paragraph three does direct staff so that Commissioner Houpt's comment should be acceptable.

Commissioner Martin, Chair Sherman, Commissioner Dowling and Commissioner Cutright suggested various changes to the supplemental order in paragraphs 12 and 13.

Commissioner Compton believes the Commission's mission is to promote beneficial gas production.

Commissioner Dowling believes that the decision will have to be made potentially in the future regarding how much seepage may be allowed.

Carol Harmon and Ken Wonstolen amended the order and returned with 2 amendments to present to the Commission.

The motion previously made by Vice Chair Epel and seconded by Commissioner Martin was withdrawn.

Commissioner Martin motioned to adopt the supplemental order with 2 amendments, seconded by Vice Chair Epel, and unanimously approved. Chair Sherman thanked COGCC staff, Petroglyph and the Huerfano County residents for their participation.

Acting Director David Neslin presented a response to the Rulison Sampling and Analysis Plan. He mentioned the restriction developed on the number of rigs that could be operational at one time, the memo that was prepared under which 2 APDs were approved on December 21, 2007, and the COGCC staff's position that could be modified based on additional data that comes about through this process. The APDs were approved after all of these matters had been considered and incorporated into the approvals. Acting Director Neslin described the email sent by Judy Jordan, Garfield County Local Government Designee, sent after close of business on January 11, 2008. COGCC staff did considerable work over the weekend to review and prepare responses to this email. Acting Director Neslin highlighted 5 points from Judy Jordan's email and responded to the Commission. Judy Jordan had not read the December 21, 2007 memo when she sent this email, nor were her comments intended for any wells greater than one ½ mile from the blast site. He reminded the Commission that 10 experts have all said that APDs and the plan are protective of public health, safety and welfare and that COGCC staff believe that the action that has been taken is appropriate.

Commissioner Houpt reminded the Commission that she has recused herself from this matter at the county level so that she can participate here.

Luke Danielson, attorney, brought Mr. Bob Moran and Mr. Wesly Kent with him and stated that Mr. Kent requested the sampling results from his water well and nobody has responded. Mr. Danielson does not believe the plan addresses any of his clients' suggestions. Mr. Kent has been fighting this for 2 years and stated there are wells within one ½ mile that are in violation. He also stated that the Department of Energy said no drilling in the 3 mile area but now drilling has occurred. Mr. Kent would like 5 years of monitoring before wells are drilled in the 3 mile area.

Bob Moran, a geochemist, has been doing this for 35 years and they were not brought into the process to work on the sampling and analysis plan until mid to early December. This type of proposal relates to a hazardous waste site with nuclear wastes. He does not believe Judy Jordan was just referring to wells within one ½ mile. He stated that there is no organized database for water quality currently.

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Liz Chandler, President of Grand Valley Citizens Alliance spoke with the Rifle Fire District Marshall last week and he was unaware of the sampling and analysis plan and therefore could not comment on whether his office could adequately respond. She said a plan should be set in place to gather scientific data.

Michael Wozniak, attorney for Noble, stated that since the initial meeting, URS has prepared 2 revisions to the plan. He described the timeline of the plan, meetings, revisions, etc. and described how the scientific data will be gathered through the restricted drilling of wells in the 3 mile area and how the plan will continue to be updated as new data is gathered.

Commissioner Houpt asked about the Fire District issue and Kate Fay responded by stating that someone from the Colorado Department of Public Health and Environment spoke with the Fire Marshall about the Plan.

Acting Director Neslin clarified the length of time Luke Danielson had to review the plan initially and he also addressed some of Mr. Danielson’s concerns as he stated them today and in his letter.

Brian Grigsby, Papadopolous and Associates described what he reviewed (in response to Commissioner Houpt’s question about not relying on Department of Energy model) which was a literature review that did not show any results of radionuclides.

Luke Danielson stated that he is willing to be a participant and believes they are going to have to look for another process.

Commissioner Alward stated that policy decisions are not the exclusive decision of experts.

Vice Chair Epel believes the only way to be before the Commission is with a hearing matter.

Commissioner Houpt believes it is important within the next year to look for good science. She believes there is a need to create a level of confidence with the citizens.

Richard Henry described all of the reports that URS looked at and stated that tritium has not been detected in any water well samples.

Chair Sherman stated that he hears more positive messages than folks seem to note.

Adjourned at 5:12 p.m.

The Secretary was therefore authorized to issue the following orders:

Order No. 139-83, Rulison 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 100 feet from the unit boundary for Section 31, Township 6 South, Range 94 West, 6th P.M., for the development and operation of the Williams Fork Formation.

Order No. 139-84, Rulison 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 100 feet from the unit boundary for certain lands in Section 29, Township 7 South, Range 93 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Order No. 429-7, Brush Creek Field, 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

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feet from the unit boundary for the E½ NE¼ of Section 23, Township 9 South, Range 94 West, 6th P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation, including the Williams Fork, Rollins, Cozzette and Corcoran Formations.

Order No. 510-40, Mamm Creek Field, Garfield County: Approves the request for an order to vacate the 320-acre drilling and spacing units established in Order No. 510-18 for Sections 5 and 6, Township 6 South, Range 96 West, 6th P.M. and establish five (5) drilling and spacing units of various sizes, for the production of gas and associated hydrocarbons from the Williams Fork Formation.

Order Nos. 232-243 & 1-123, Wattenberg Field, Weld County: Approves the request for an order to segregate the 320-acre drilling and spacing unit consisting of the S½ of Section 9, Township 4 North, Range 63 West, 6th P.M., into 2 drilling and spacing units consisting of the SW¼ and SE¼ of said Section 9, for the production of gas and associated hydrocarbons from the “J” Sand Formation, and to establish a 160-acre drilling and spacing unit consisting of the SE¼ of said Section 9, for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations.

Order No. 1C-6, Huerfano County: Approves the supplemental order in response to Cease and Desist Order No. 1C-5, to allow Petroglyph to proceed with Phase I and II of its three phase plan, subject to additional conditions of approval, in an effort to demonstrate to the Commission’s satisfaction that it can return its wells to production in a manner that protects public health and safety for certain lands in Townships 28 and 29, Range 67 West, 6th P.M.

Order No. 1V-317, Morgan County: Approves the request to approve an Administrative Order by Consent finding Colorado Interstate Gas Company in violation of Rules 209., 317.d., 324A.a., 324A.b., 326.d., 327., 404., 906.a., and §34-60-107, C.R.S. at Well #26, located in the SW¼ NE¼ of Section 25, Township 3 North, Range 58 West, 6th P.M., and assesses a total fine of Three Hundred Seventy-Four Thousand dollars (\$374,000.00) for the violations.

Approved:

Patricia C. Beaver, Secretary

Harris Sherman, Chair