

RECORD OF PROCEEDINGS

September 25, 2009

The Oil and Gas Conservation Commission (“COGCC”) met on September 25, 2009, at 9:02 a.m., at the Pagosa Springs Community Center, South Conference Room, 451 Hot Springs Blvd., Pagosa Springs, Colorado, for a hearing in Cause Nos. 252 (2 matters) and 510 (3 matters).

Those present were:

Joshua Epel	Vice-Chair
Richard Alward	Commissioner
Tom Compton	Commissioner
DeAnn Craig	Commissioner
Mark Cutright	Commissioner
Michael Dowling	Commissioner
Trési Houpt	Commissioner
David Neslin	Director
Rob Willis	Acting Hearings Manager

Chair Harris Sherman and Commissioner Jim Martin were unable to attend the hearing. A motion was made by Commissioner Houpt to approve the August 2009 minutes as amended, seconded by Commissioner Dowling, and unanimously approved.

Report from the Executive Director. No report was made.

Staff Report. Director Neslin stated that as of September 17, 2009, there were 3,718 Applications for Permits-to-Drill (“APDs”) approved. It is estimated that there will be 5,000 drilling permits approved this year. This will be a 38% decline in permit activity over the previous record high of 8,027 APDs approved in 2008, which was 26% higher than the 6,368 APDs approved in 2007. This does not correlate with the 60% decline in rig count since the peak of last year, but may be a reflection of the push to get permits in before the effective date of the amended rules. The 2009 drilling permit totals for the top seven counties as of September 17th are:

County	2009 (% of Total)	2008	2007	2006	2005	2004
Garfield	1,368 (37%)	2,888	2,550	1,844	1,508	796
Weld	968 (26%)	2,340	1,527	1,418	901	832
Mesa	326 (9%)	501	293	265	136	54
Rio Blanco	305 (8%)	477	321	360	161	154
La Plata	260 (7%)	328	251	235	117	102
Yuma	94 (3%)	545	541	798	782	237
Las Animas	59 (2%)	303	362	500	413	332
State Total	3,718	8,027	6,368	5,904	4,364	2,917

In June 2009, the COGCC staff created a new spud report tracking system at the request of the Commission. The system is updated by the field inspector receiving a called-in spud notice, as required on the approved drilling permit. Following is a table showing the reported spud notices as of September 17, 2009.

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Year	Month	Spud Reports
2009	7	120
2009	8	118
2009	9	93

The following table shows a summary of oil and gas well permits requiring new well locations that have been approved by the COGCC in 2006 and through September 17, 2009. The summary shows the number of new location permits that have been granted where the surface owner owns mineral rights, where the surface ownership has been severed from the mineral ownership, where surface use agreements have been executed on severed lands, and where surface damage bonds have been posted on severed lands.

Calendar Year	Permits For New Oil And Gas Wells	Surface Owner Party To A Mineral Lease	Surface Owner Is Not Party To A Mineral Lease	Surface Use Agreements	Total Permitted Under A Surface Use Bond	\$25,000 Blanket Surface Damage Bond	\$2,000 Individual Surface Damage Bond For Non-Irrigated Land	\$5,000 Individual Surface Damage Bond for Irrigated Land
2006	5,848	3,933 (67%)	1,915 (33%)	1,223 (21%)	692 (12%)	689 (12%)	3 (<1%)	0 (0%)
2007	6,335	3,876 (61%)	2,459 (39%)	1,558 (25%)	901 (14%)	900 (14%)	1 (<1%)	0
2008	7,974	4,741 (59%)	3,233 (41%)	2,152 (27%)	1,081 (14%)	1,075 (13%)	3 (<1%)	3 (<1%)
2009	3,703	2,354 (64%)	1,349 (36%)	965 (26%)	384 (10%)	380 (10%)	2 (<1%)	2 (<1%)

April 1, 2009 was the effective date for the change in the rules requiring the submission, and at times the approval, of the Location Assessment, Form 2A. This change will provide for the tracking of new and expansion of existing locations used for oil and gas development facilities. Tracking oil and gas locations provides for the evaluation of the impact to the surface as multiple wells are now drilled from a single location. The Form 2A is also required for other types of oil and gas development facilities that are built to provide the infrastructure necessary to get the product to market. The table below shows the number of Form 2As that were received by month and the status fo those forms in the process, as of September 17, 2009.

Year	Month	Failed Complete Review	Received	Approved or Accepted	Withdrawn	Remaining	Percent Remaining
2009	4		0				
2009	5	3	28	26	2	0	0%
2009	6	1	39	27	1	11	28%
2009	7	7	72	26	1	45	63%
2009	8	2	60	2	0	58	97%
2009	9		40			40	100%
YEAR TOTAL			239	81	4	154	64%

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Northwest Colorado: The Northwest Colorado Oil and Gas Forum ("Forum") is an informal gathering of local, state, and federal government officials, oil and gas industry representatives, and citizens that have met regularly since 1989. The purpose of the Forum is to share information about oil and gas development in northwest Colorado and to make government officials and oil and gas industry representatives easily accessible to the public. Currently the meetings are conducted once per quarter and are co-chaired by Director Neslin, and Garfield County Commissioner, Mike Samson. The next meeting is scheduled for December 3, 2009, at the Garfield County Fairgrounds in Rifle.

Southwest Colorado: Ongoing investigation, reclamation and mitigation of residual methane in the vicinity of the Bryce 1-X Well area, near Bondad, Colorado continues. Four Corners Geoscience, representing the COGCC, collected groundwater samples from area water wells on July 28, 2009. Methane concentrations continue to decrease in the North well, have remained steady in the South and Fire Station wells and increased in the Middle well during this sampling event. Potential causes of these changes are being evaluated. Analytical results indicate a general improvement in overall water quality with total dissolved solids (TDS) decreasing significantly in the North Well and remaining fairly stable in the Middle and South wells. A soil gas survey was also conducted by LTE on July 28, 2009. Soil gas was not detected during this survey and soil gas has not been detected since July 2007. The next well sampling event is planned for early 2010. No additional soil gas sampling is scheduled unless conditions, such as methane concentrations in all of the water wells, change.

The next Gas and Oil Regulatory Team ("GORT"), Southwest Colorado Oil and Gas Stakeholders meeting is scheduled for January 14, 2010, at 8:30 a.m. at the La Plata County Fairgrounds in Durango.

As part of the Fruitland Formation Outcrop Mitigation and Monitoring Project ("4M Project"), the Colorado Geological Survey ("CGS") is finalizing a detailed geologic map of the Fruitland Formation outcrop in Archuleta County. This work is similar to mapping done in 1999-2000 by the CGS as part of the Fruitland Formation Outcrop Monitoring ("3M Project"). The work included mapping the surface expression of the uppermost Cretaceous units, Pictured Cliffs Sandstone, Fruitland Formation, Kirtland Shale, along the rim of the San Juan Basin in Archuleta County between the La Plata-Archuleta County line and the northern boundary of the Southern Ute Indian Reservation. The final map and associated report will be posted to the website shortly after receipt from the CGS.

Start-up of both 4M Outcrop Mitigation Pilot Projects in La Plata County occurred during the week of May 4, 2009, and continuous operations were implemented during the week of May 18, 2009. Both systems are functioning as planned, however methane concentrations are too low at the Pine River Ranch location for effective combustion. Electricity is being generated at the South Fork Texas Creek location and system optimization is planned to increase the overall methane recovery and electrical generation. The net metering system successfully passed the La Plata Electric Association facility test on August 20, 2009. Further optimization of this system is ongoing. Successful combustion is still not possible at the Pine River Ranch (PRR) site due to low methane concentrations coupled with high oxygen content in the gas stream. Gas continues to be collected and vented at this location. Future operational uses of this system are being evaluated. A comprehensive presentation on both systems was given by Matt Vielhaber of LTE during the August 20, 2009, GORT meeting in Durango. Data collection and assessment will continue for a period of one year.

As has been discussed in previous staff reports, the proposed 4M monitoring wells in La Plata County, along with those already installed in Archuleta County, are an extension of the 3M monitoring well network. They will be used to monitor water levels and formation pressures only and will not be used to extract any mineral resource and, as such, they will not impact any mineral rights nor will they deplete any mineral resource. It is anticipated that field activities will begin in September 2009. COGCC continues to negotiate with private surface owners to finalize access

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agreements for monitoring well locations.

The COGCC staff has requested and was granted by the Director a variance from the Rule 305.c. 20-day public comment period for the APDs for the 4M monitoring wells in La Plata County. The drilling schedule proposed by the COGCC contractor, as necessitated by seasonal drilling conditions and existing surface use agreements, will not allow compliance with the specific comment period requirements of Rule 305.c. Surface use agreements are in place for all locations and surface owners within ¼ mile of all locations have been previously notified under the La Plata County permitting process. This requested variance will not violate the basic intent of the Oil and Gas Conservation Act.

Update on 4M Monitoring Wells Archuleta County. COGCC conducted a pre-reclamation site visit with the U.S. Forest Service (USFS) and Souder Miller and Associates (SMA) on June 23, 2009 to confirm USFS requirements for final site reclamation. Site re-contouring, topsoil replacement, and reseeding have been completed. SMA has provided the COGCC staff a Draft Report for the monitoring well installation and reclamation conducted in 2008 and 2009. COGCC staff are currently reviewing the report. A copy of the final report, including formation pressures, well completion diagrams, and coal core analytical results, will be posted on the COGCC website upon completion.

With regards to the 3M Project, the August 2009 monitoring report is available on the COGCC website.

San Juan Basin Coalbed Methane Water Quality Analysis. The objective of this study is to assess potential long-term trends in general groundwater quality in the San Juan Basin based on data available in the existing COGCC database. AMEC-Geomatrix was awarded the contract on August 28, 2009, and a project kick-off meeting was held on September 10, 2009. A draft report should be available for staff review by the end of 2009.

Steve Lindblom and Karen Spray have been participating in the Northern San Juan Basin Groundwater Model Technical Advisory Group ("NSJB TAG"). The NSJB TAG consists of experts in hydrogeology, groundwater modeling, geology, and water resources from industry, the CGS, the COGCC, the Colorado State Engineers Office, and the Colorado School of Mines. The NSJB TAG has been meeting on a monthly basis since June 2008 to discuss technical issues related to a numerical groundwater model for the Northern San Juan Basin being developed by NAH on behalf of several operators. A draft report was anticipated in July 2009 for review by the NSJB TAG; however, the schedule has been delayed by requests for additional time to review the model.

Northeast Colorado: Many oil and gas wells and associated production facilities permitted by the COGCC have accesses onto Weld County Roads. However, the location and construction of many of these accesses have not been reviewed by the Weld County Department of Public Works for public safety concerns. Weld County requires access permits for all such accesses.

Public safety issues associated with oil and gas facility traffic at these county road access points include sight distances, posted speed limits, road quality (paved vs. graded gravel), restricted bridges, coordination with other driveways and access points, and consideration of heavy truck hauling. Planning issues include allowance for future road widening and insufficient setbacks from the future rights-of-way. Conversion of seasonal farm field accesses to a year-round oil and gas driveways is sometimes inappropriate, especially for long-term facility (tank battery) accesses by tanker trucks and work-over rigs.

For these reasons, and the public's safety on county roads, Weld County requests that oil field operators contact the County early in their planning process, prior to negotiation of access points with surface owners to ensure that safe accesses are selected.

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Southeast Colorado: Three monitoring wells, four recovery, and eight injection wells have been drilled, completed and tested by Petroglyph Energy Inc. ("PEI") as part of Phase 1 of the MIMMP. Treatment under Phase 1 consists of physically separating dissolved methane from the recovered ground water using a vertical separator. The methane is sent to a controlled flare for combustion. Operation of the pump, treatment, and injection system started on December 8, 2008. More than 3.7 million gallons of water had been pumped to the surface and treated as of May 12, 2009. To date, more than 4.75 million gallons of water have been pumped to the surface and treated. More than 99% of that water has been re-injected into the aquifer after treatment. Gas flows are monitored at 4 domestic wells by PEI or its consultant and at 2 domestic wells by COGCC and its consultant. Overall gas flow has decreased in all monitored domestic wells.

During the period from July 20, 2009, to August 24, 2009, PEI screened 56 domestic water wells for the presence of methane with hand-held methane detectors for changes in percent volume of methane, %LEL, and %O<sub>2</sub>; 36 of the monitored wells showed little change from the previous month's monitoring, 5 wells showed increases in methane concentration, 2 wells showed inconsistent results and 11 wells showed decreases in methane concentration.

PEI is currently supplying water to 16 homes upon request of the well owner. Methane alarms have been installed in 14 homes.

The United States EPA held a public meeting in Walsenburg on August 10, 2009, regarding PEI's applications for wells that would be used to inject Vermejo Formation water produced from coalbed methane (CBM) wells into water bearing units in the Poison Canyon. PEI has submitted an application to the Division of Water Resources to ask for changes to water sources and injection as part the process of initiating Phase II. Approval to operate some of PEI's CBM wells by the COGCC will also be needed prior to initiation of Phase II.

Organization: The Oil & Gas Location Assessment (OGLA) team is now up and running. The new OGLA team members are:

Mary Roberts Halstead, the new OGLA Supervisor, is a registered Professional Engineer and has worked the last nine years for the Colorado Division of Wildlife as a water resources engineer. Mary's past work history includes experience in water rights, environmental consulting and oil and gas exploration. She holds a Master of Science degree in hydrology from the University of Arizona and a Bachelor of Science degree in geological engineering from the Colorado School of Mines.

Valerie Walker, a new Environmental Protection Specialist, will be working out of the Denver office. She has worked for the COGCC in permitting for almost 3 years. Valerie holds a Master of Science degree in petroleum geology and a Professional degree in hydrogeology, both from the Colorado School of Mines. Valerie's professional background includes working as a petroleum exploration and production geologist in the Rocky Mountain and midcontinent region, geologic work with the U.S. Bureau of Mines coal group, computer programming/systems analysis, and teaching high school Earth Science.

Dave Kubeczko, a new Environmental Protection Specialist, will be working out of the Rifle office. Dave has over 20 years of environmental consulting experience. This experience includes significant work at numerous oil and gas production facilities. He holds a Master of Science degree in environmental science from the University of Colorado at Denver and a Bachelor of Arts degree in geology from Augustana College.

The COGCC is pleased to announce that as of September 1, Margaret Ash is the manager of the new field inspection group and Steve Lindblom accepted the position of environmental supervisor. Margaret and Steve have each worked at the Commission for several years: Margaret as an Environmental Supervisor, and Steve as an Environmental Specialist.

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The COGCC is pleased to announce that Mike Leonard, currently the COGCC Field Inspector for southeastern Colorado, has been selected to be the Engineering Physical Science Tech III Field Supervisor for Southern Colorado. Mike has been with the COGCC since October 2006 and has an extensive background in the oil and gas industry. Mike is also the Assistant Fire Chief with the Cheyenne Wells Volunteer Fire Department.

COGIS Projects, Updates and Changes Electronic Form Submission: As of July 1, 2009, operators have been electronically filing the “Applications for Permits-to-Drill” and the new “Oil and Gas Location Assessment” forms. The system allows the operator to submit the form and all of the required attachments in a PDF file format to the COGCC system. Benefits of the eForm’s application to the operator include the ability to circulate the forms internally and check data prior to submitting to the COGCC and a decrease in the time it takes for the form to begin its regulatory review. Additional features of the new application include the tracking of the regulatory form as it is being reviewed within the COGCC, the viewing of the required attachments as the form is being reviewed, along with allowing public comments on certain regulatory forms.

Along with the eForm system, a page is available where the operators can review all known bugs within the system and report any new ones they discover. The public can now make comments on all submitted Applications for Oil & Gas Location Assessment (OGLA) forms (Forms 2A) through the eForm system. Once the page is displayed with the selected document, the user can select the Comment button to make a comment on that particular form. The public can use this same method to make comments on APDs.

As of September 11, 2009, 52 operators have signed up to use eForms to file their Form 2 (APD) and Form 2A (OGLA). Since July, operators have submitted 39 Form 2As, 25% of the total, and 128 Form 2s, 51% of the total, through the eForm system.

COGCC Staff has completed stakeholder meetings to address a methodology for oil and gas sales reconciliation under a new rulemaking.

Options for disposal of pit liners are currently being assessed and evaluated by CDPHE on legal advice from the Attorney General’s Office. An amendment to the new rules may address this issue with one possibility that pit liners be disposed of onsite as exploration and production (“E&P”) waste.

A preliminary docket for the September 2009 hearing was provided.

Thom Kerr, COGCC Information and Permit Manager, updated the Commission as to the implementation of the new rules on APDs.

Commissioner Cutright voiced concerns that operators in eastern Colorado have regarding the time it may take to permit wells under the new rules. Director Neslin indicated that the time it is taking to permit wells should no longer be an issue for operators.

Commissioner Compton raised concerns over the definition of “buildings”, and setbacks from those buildings, under the new rules as it may pertain to occupancy of buildings by people. Thom Kerr responded that survey plats identify buildings, and that what constitutes a building under the rules may be subject to interpretation by the permitting staff.

Variances: (1) A variance under Rule 502.b was granted on August 21, 2009, for the East Resources, Inc. Castor Gulch Unit 1 Well in Moffat County. Rule 603.a.(1) requires the surface location be a minimum of 150 feet from a public road. The proposed well location is approximately 58 feet from County Road 93 due to the narrowness of the valley. East Resources has received approval from Moffat County to temporarily close the road from September 12 through October 1,

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2009, during the drilling of the well.

(2) ExxonMobil Oil Corporation ("ExxonMobil") submitted a Sundry Notice requesting a variance to the production casing compressive strength requirements of Rule 317.i. for 70 wells, which are located on 12 different pads located in their Freedom Unit, Expanded Liberty Unit, Piceance Creek Unit, and North Piceance Creek Unit. All of these wells have federal jurisdiction for surface and minerals.

As a result of the use of high-temperature-capable cement retarders in the cement slurry, ExxonMobil's production casing cement design for these wells does not meet the temperature requirement of Rule 317.i., which specifies that production casing cement "shall be of adequate quality to achieve a minimum compressive strength of at least 300 psi after twenty-four hours and 800 psi after seventy-two hours measured at 95°F and at 800 psi." ExxonMobil's production casing cement design will meet the required compressive strengths within the required timeframes at the expected downhole temperatures.

ExxonMobil contends that the requested variances do not violate the basic intent of the Oil & Gas Conservation Act. On September 2, 2009, COGCC Staff approved ExxonMobil's Rule 317.i variance requests. ExxonMobil submitted similar requests to the federal Bureau of Land Management (BLM) in submittal of BLM Application for Permit to Drill for these wells.

Commissioner Cutright expressed his concerns over variances granted to ExxonMobil, regarding their cementing practices, and perceptions that the Commission may be favoring the operator, and inquired as to whether there might be better ways to handle their continuing requests. Director Neslin indicated that Staff would study the concern and report back to the Commission.

(3) A variance under Rule 502.b. was granted on September 9, 2009, with the approval of the Application for Permit-to-Drill the Great Western Oil and Gas Company, Great Western Wells 27-11, 27-12, and 27-52, located in the SE¼ NW¼ of Section 27, Township 6 North, Range 67 West, 6<sup>th</sup> P.M. in Weld County. Operations for the three wells had commenced with the construction of a common well pad on which two wells had already been spud (Great Western Wells 27-21 and 27-22) on September 8 and 16, 2009, respectively. The three APDs were going to expire prior to the operator's being able to move the rig to the locations on the common pad and commence drilling operations. In consideration of safety issues, and after discussions with and agreement by the Weld County Local Government Designee, a variance to Rule 303.j. was granted and the 3 permits were extended through October 7, 2009, a period of approximately 30 days.

Comments from the Commissioners. Vice Chair Epel expressed his thanks to those entities involved with a field tour provided to the Commissioners on September 24, 2009 (Williams Production RMT Co., the Southern Ute Indian Tribe, BP America, and La Plata Electric Association.) Further, he expressed his thanks to the citizenry and officials from Archuleta County for inviting the Commission to the county for this hearing.

Commissioner Craig expressed her thanks to those operators who participated in the field tour and to the officials from Archuleta County for hosting the Commission hearing.

Commissioner Cutright raised concerns over the number of orphan wells in Colorado and asked what steps COGCC Staff takes in dealing with those wells. David Dillon, COGCC Engineering Manager, responded that Staff maintains an orphan well list, which is constantly being updated from a variety of sources, and that emergency response funds can be, and have been, used to plug orphan wells when appropriate.

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Comments from the Audience. Josh Joswick, a La Plata County resident and member of the San Juan Citizens Alliance, gave a statement concerning the disposal of pit liners and the development of the Gothic Shale Formation in Dolores and Montezuma Counties.

Jim Fitzgerald, a resident of La Plata County, gave a statement regarding concerns over surface use agreements and alleged unfair practices engaged by operators to obtain those agreements.

Rick Bellis, Director of Development for Archuleta County, gave a statement regarding the disposal of pit liners and concerns for the development of the Fruitland coal seams in Archuleta County.

Consent Agenda. Commissioner Craig moved to approve all matters listed under the Consent Agenda, seconded by Commissioner Dowling, and approved unanimously. The following matters were approved:

Cause No. 510, Docket No. 0909-SP-20, Garfield County, request for an order to establish an approximate 40-acre drilling and spacing unit for the NE $\frac{1}{4}$  SE $\frac{1}{4}$  of Section 3, Township 8 South, Range 96 West, 6th P.M., and allow the equivalent of one well per 10 acres for said unit, for the production of gas and associated hydrocarbons Williams Fork and Iles Formations.

Cause No. 510, Docket No. 0909-SP-21, Garfield County, request for an order to establish an approximate 40-acre drilling and spacing unit for the SW $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 3, Township 8 South, Range 96 West, 6th P.M., and allow the equivalent of one well per 10 acres for said unit, for the production of gas and associated hydrocarbons Williams Fork and Iles Formations.

Cause No. 252, Docket No. 0909-SP-22, Kiowa County, request for an order to establish ten approximate 80-acre drilling and spacing units for certain lands located in Sections 27, 28 and 34, Township 18 South, Range 47 West, 6th P.M., for the production of gas and associated hydrocarbons from the Marmaton Formation.

Cause No. 510, Docket No. 0909-SP-23, Garfield County, request for an order to vacate two 80-acre drilling and spacing units established in Order No. 510-47, and establish an approximate 160-acre drilling and spacing unit for the NE $\frac{1}{4}$  of Section 33, Township 7 South, Range 96 West, 6th P.M., for the production of gas and associated hydrocarbons Williams Fork Formation.

Cause No. 252, Docket No. 0909-UP-21, Kiowa County, request for an order to pool all nonconsenting interests in an 80-acre drilling and spacing unit consisting of the W $\frac{1}{2}$  NE $\frac{1}{4}$  of Section 28, Township 18 South, Range 47 West, 6th P.M., for the development and operation of the Marmaton Formation.

The following matters have been continued to either the September 2009 hearing or a subsequent hearing:

Cause No. 449, Docket No. 0908-EX-04, Cheyenne County, request for an order to allow an exception to the permitted well location, and remove the production limitations as specified in Order 449-7, for the re-entry of the Lewis 22-17 #4 Well located in the W $\frac{1}{2}$  of Section 17, Township 14 South, Range 42 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Morrow "A" Formation. Protest filed by Citation Oil & Gas Corporation.

Cause No. 139, Docket No. 0908-SP-18, Garfield County, request for an order to: (1) establish a 640-acre drilling and spacing unit consisting of Section 15, Township 7 South, Range 94 West, 6<sup>th</sup> P.M., (2) continue to allow the equivalent of one well per 10 acres for said Section 15, for the Williams Fork Formation, and (3) allow the equivalent of one well per 10 acres for the Iles Formation, for the production of gas and associated hydrocarbons Williams Fork and Iles Formations. Protest filed by the BLM.



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Cause Nos. 232 and 407, Docket No. 0907-UP-15, Weld County, request for an order to establish two 160-acre drilling and spacing units consisting of the SW¼ of Section 10 and the NW¼ of Section 30, Township 2 North, Range 66 West, 6<sup>th</sup> P.M., and to pool all nonconsenting interests in said units, for the development and operation of the Codell, Niobrara and "J" Sand Formations. Protest filed by Anadarko Petroleum Corporation.

Cause No. 1, Docket No. 0809-GA-01, Adams County, request for an order to designate Barr Lake State Park as a Designated Outside Activity Area. Protests filed by Noble Energy, Inc., Anadarko Petroleum Corporation, and James Alexander, Alexander Energy Company, HRM Resources, Texas American Resources Company, and Sovereign Energy, LLC.

Commissioner Houpt moved to go into Executive Session to discuss pending litigation with the Attorney General's Office, seconded by Commissioner Dowling, and unanimously approved.

Informational Session on Coal-Bed Methane Development and Production in the San Juan Basin. Karen Spray, COGCC Environment Protection Specialist, and Mark Weems, COGCC Field Engineer, gave a presentation on historical coal-bed methane development and production in the San Juan Basin.

Bob Moomaw, Chair of the Archuleta County Board of County Commissioners, gave a statement on Archuleta County's perspectives and concerns for the development of the Fruitland coal seams in Archuleta County.

Josh Joswick, San Juan Citizens Alliance, gave a statement regarding perspectives and concerns for the development of the Fruitland coal seams in the San Juan Basin.

Kathleen Delzell, a resident of Archuleta County, gave a statement regarding her concerns for coal-bed methane development in Archuleta County.

Chris Carroll, geologist for the Colorado Geological Survey, gave a presentation on the mapping of the Fruitland coal seams in the San Juan Basin.

Michael Clark, President of Petrox Resources, Inc., gave a presentation on his company's plans for development of the Fruitland coal seam in the eastern part of the San Juan Basin.

Commissioner Dowling moved to adjourn the hearing, seconded by Commissioner Houpt, and unanimously approved.

The hearing adjourned at approximately 3:15 p.m. on September 25, 2009.

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The Secretary was therefore authorized to issue the following orders:

Order No. 252-6, Left Hand Field, Kiowa County: Approves the request for an order to establish ten approximate 80-acre drilling and spacing units for certain lands located in Sections 27, 28 and 34, Township 18 South, Range 47 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Marmaton Formation.

Order No. 252-7, Left Hand Field, Kiowa County: Approves the request for an order to pool all nonconsenting interests in an 80-acre drilling and spacing unit consisting of the W½ NE¼ of Section 28, Township 18 South, Range 47 West, 6<sup>th</sup> P.M., for the development and operation of the Marmaton Formation.

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Order No. 510-50, Grand Valley Field, Garfield County: Approves the request for an order to establish an approximate 40-acre drilling and spacing unit for the NE $\frac{1}{4}$  SE $\frac{1}{4}$  of Section 3, Township 8 South, Range 96 West, 6th P.M., and allow the equivalent of one well per 10 acres for said unit, for the production of gas and associated hydrocarbons Williams Fork and Iles Formations.

Order No. 510-51, Grand Valley Field, Garfield County: Approves the request for an order to establish an approximate 40-acre drilling and spacing unit for the SW $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 3, Township 8 South, Range 96 West, 6th P.M., and allow the equivalent of one well per 10 acres for said unit, for the production of gas and associated hydrocarbons Williams Fork and Iles Formations.

Order No. 510-52, Grand Valley Field, Garfield County: Approves the request for an order to vacate two 80-acre drilling and spacing units established in Order No. 510-47, and establish an approximate 160-acre drilling and spacing unit for the NE $\frac{1}{4}$  of Section 33, Township 7 South, Range 96 West, 6th P.M., for the production of gas and associated hydrocarbons Williams Fork Formation.

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Robert A. Willis, Acting Secretary

Approved:

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Joshua Epel, Vice Chair