

## RECORD OF PROCEEDINGS

---

August 12, 2010

The Colorado Oil and Gas Conservation Commission met on August 12, 2010 at 9:00 a.m. at Adams County Economic Development Offices, 12050 N. Pecos St., Suite 200, Westminster, CO.

### Roll Call of Commissioners

#### Present:

Joshua Epel	Chairman
Michael P. Dowling	Vice Chairman
Richard D. Alward	Commissioner
Mark Cutright	Commissioner
Tom Compton	Commissioner
Deann Craig	Commissioner
Tresi Houpt	Commissioner
Martha Rudolph	Commissioner (ex officio)
Matt Lepore	Assistant Attorney General
David Neslin	Director
Carol Harmon	Hearings Manager

#### Absent:

Mike King	Commissioner (ex officio)
-----------	---------------------------

Hearings Manager Harmon noted that miscellaneous documents were passed out at the hearing that were unavailable at the time the Commissioner's package was mailed.

Commissioner Rudolf described three consultations with the CDPHE: 1) Petroleum Development Company (Weld County) approved with conditions; 2) Williams (Garfield County) approved with conditions; 3) Antero (Garfield County) concerning air quality monitoring requirements. Director Neslin clarified issues related to the air quality monitoring raised by Commissioner Houpt.

### Executive Director's Report:

In Mike King's absence, Director Neslin reported the following:

Ginny Brannon has been hired as Assistant Director of Energy and Minerals for the Department of Natural Resources.

### Director's Report

#### Staff Report Highlights:

- Upcoming meeting of Northwest Colorado Oil and Gas Forum
- Project Rulison – Comments received on Revision 2 of the Rulison Sampling and Analysis Plan are being incorporated into a third revision, which will soon be on the web site.

## RECORD OF PROCEEDINGS

---

- Project Rio Blanco Sampling and Analysis Plan has been finalized and will shortly be on the web site.
- Gas and Oil Regulatory Team (GORT) Meeting -The next GORT/Southwest Colorado Oil and Gas Stakeholders meeting is scheduled for October 14, 2010, at 8:30 am at the La Plata County Fairgrounds in Durango, Colorado.
- Corsentino Dairy Farms Site Investigation and Remediation Workplan- Petroglyph Energy Inc. (PEI) is voluntarily remediating land belonging to Corsentino Dairy Farms that was impacted by PEI's legal discharge of coalbed methane (CBM) produced water into the Cucharas River upstream of the dairy's irrigation water intake. Bovine tuberculosis was reported in the Corsentino Dairy's herd in June 2010, and the herd was quarantined by the Colorado State Veterinarian. Later reports indicated the entire herd of more than 700 head will be seized and slaughtered by the U.S. Department of Agriculture by mid-August of this year.
- Methane Investigation Monitoring, and Mitigation Plan (MIMMP) - Huerfano County- Phase two initiation was approved by EPA and COGCC staff in late July 2010.
- New staff have been added as follows:
  - Kris Neidel – Field Inspector for Northwest Colorado
  - Rob Young and Arthur Koepsell have been added to the Oil & Gas Location Assessment Group (OGLA) in Denver.
- Staff resignation- Valerie Walker, EPS II in OGLA has resigned effective end of August .
- Public Outreach Opportunities - Stuart Ellsworth and Steve Lindblom attended a public meeting at the Riverview Inn in Fairplay, CO on July 22, 2010. The meeting was sponsored by County Commissioners and local state legislature members to better inform the public on regulatory programs.
- Stuart Ellsworth has been appointed Engineering Manager. He replaces Mark Weems, who decided not to continue as Engineering Manager, in favor of remaining in Durango, where he will continue as Southwest Region Engineer.
- Variances (detailed at page 9 of the Staff Report)
  - Two variances for final reclamation have been approved for UMAD LLC. The sites are within a platted subdivision and the plan is to build houses on these locations. The landowner has submitted letters accepting the level of final reclamation.
  - Two variances were granted on July 15, for approval of well permits to for an exception to Rule 318A.a. requesting approval to drill these 3 wells to "infill" locations requiring proposed wellbore spacing units. A 502.b. request was submitted by the operator because consents to the proposed spacing units were not received from all the mineral interest owners. No objections to the proposed spacing units were filed.
  - A variance granted was for a location for the BBC Kaufman (Pad #4) 43D-25-692 within the inner buffer zone of a 317B, Public Water System Protection Area. The variance was granted July 16, 2010, after a consultation with CDPHE and the local public water supply agency, when the operator agreed to conditions of approval from both the CDPHE and water provider.
- The Governor had a press conference to announce agreements with nine companies regarding ten landscape level agreements regarding wildlife mitigation plans, comprehensive drilling plans, and orders limiting drilling density covering 550 square miles on the West Slope.

## RECORD OF PROCEEDINGS

---

Thom Kerr provided an update on permitting activities and highlighted the following elements of the Staff Report:

- Drilling and Recompletion Permits- (Page 15) - Consistent high level of activity.
- Permit Applications Filed by Month (Page 16) – Staff is reducing the number of permit applications taking greater than 50 days to process. Commissioner Cutright suggested modifying the report trigger from 50 days to 30 days. Thom Kerr stated that since there are still a lot of permits being processed between 30 and 50 days, it might make sense to add an additional column to reveal that statistic. Staff is actively working on improving the timeliness of permit processing.
- Permits Issued by County (Page 17) - On pace to issue around 6,500 for the year for the second highest total of permits issued by the Commission in its history. Highest activity is in Garfield and Weld Counties. The total of active permits is 4,355.
- Breakdown by County per year of Oil and Gas Location Assessments (Form 2A) - Consultations with DOW are running just under 15%, while consultations with CDPHE are running around 3.5%. The majority of consultations have been for setbacks for property lines, which are no longer a trigger.
- Monthly Statistics (Pages 22-23). Commissioner Cutright asked whether there was any explanation for the increase in the backlog for processing injection well permits. Response by Stuart Ellsworth – the total volume of permits for injection is increasing due to the need to dispose of produced water. This is an EPA program which has a built-in 30 day notice provision, so it takes longer than ordinary permit processing. Commissioner Cutright reported he has been hearing complaints about delays in injection permit processing in eastern Colorado from operators. Stuart Ellsworth reported that he has not heard similar reports, but would look into the matter.

### Commissioner Comments:

Commissioner Houpt asked for an update on the investigation of complaints of well contamination from the North Fork Ranch Landowner Association. The response by Debbie Baldwin described in detail the response of the Environmental Protection Specialist to a complaint of Mr. Tracy Dahl regarding turbidity in his cistern. After extensive sampling and analysis of the Dahl wells and nearby wells, the preliminary analysis was that the turbidity was consistent with naturally occurring cuttings and sediments from the construction of his own well. Additional follow-up analysis is in progress and is expected to be reported to Mr. Dahl shortly.

Commissioner Compton asked if it was possible to clarify to the public how the public can participate in Commission hearings by telephone due to a situation where the San Juan Citizens Alliance attempted to participate by telephone but could not. Response by Hearings Manager Harmon, who reported that the particular instance involved a participant who followed appropriate procedures requested prior to the meeting. However, by staff oversight, the caller was not brought into the conference call by the required affirmative action by staff. There is no systematic problem with the capability to provide for telephone participation, but the process needs greater staff vigilance.

Commissioner Compton reported a request from the San Juan Citizens Alliance that the Commission use the Geographic Area Plan concept with respect to the increase in

## RECORD OF PROCEEDINGS

---

drilling activity that is taking place in Montezuma County and Delores County. Commissioners Houpt and Rudolph expressed support for the concept. Chairman Epel requested a report from Director Neslin at the next meeting which outlines staff resources necessary to undertake such an effort. Director Neslin agreed to the request.

Commissioner Dowling offered positive comments on the developments behind the Governor's press conference on cooperative efforts between regulators and industry under the Series-1200 regulations for protection of wildlife. He expressed that there was a genuine shared sense of accomplishment between industry and regulators on the matter.

### Audience Comments:

Suzanne O'Neill (Colorado Wildlife Federation) asked about the appropriate time to comment on Wildlife Mitigation Plans. She deferred for later comment.

Ken Wonstolen pointed out that in reference to page 20 of the Staff Report, Weld County is the overwhelming location for Building Setback Review. He stated that it is very difficult to get developers/homeowners to agree to anything greater than a 150-foot setback. Commissioner Houpt noted the significant difference in public opinion regarding surface impact between Weld County and Garfield County.

### Consent Agenda

Chairman Epel asked if any Commissioners had a conflict of interest with any of the items on the consent agenda. Commissioner Cutright disclosed his company has a business relationship with Noble Energy and stated that he would recuse himself from the two Bonanza Creek matters. Chairman Epel stated that those two matters would be dealt with separately.

Commissioner Rudolph requested that item 1, Cause No. 513, Docket No. 1007-SP-18 be pulled from the Consent Agenda.

Commissioner Compton had a question on item 2, Cause No. 407, Docket No. 1007-UP-36, as to why the protest was withdrawn. Mr. Ken Wonstolen, attorney for the applicant in the matter, explained that there was a title issue that needed to be resolved due to incomplete estate work of a deceased former owner. Once resolved, Noble Energy will return to the Commission with an application to vacate the force pooling order, since it will no longer be necessary.

A motion was made by Commissioner Dowling to approve five of the eight consent agenda items. He removed the first (pulled by Commissioner Rudolph), fourth and fifth (involving Bonanza Creek) and moved to approve the remaining consent agenda items, specifically including the following:

Cause No. 407, Docket No. 1007-UP-36, Wattenburg Field, Weld County, request for an order to pool all nonconsenting interests in the four designated approximate 80-acre standup drilling and spacing units consisting of the W $\frac{1}{2}$  SW $\frac{1}{4}$ , E $\frac{1}{2}$  SW $\frac{1}{4}$ , W $\frac{1}{2}$  SE $\frac{1}{4}$ , E $\frac{1}{2}$  SE $\frac{1}{4}$  of Section 6, Township 5 North, Range 62 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations.

## RECORD OF PROCEEDINGS

---

Cause No. 191, Docket No. 1007-UP-48, Mamm Creek Field, Garfield County, request for an order to pool all nonconsenting interests in the established 640-acre drilling and spacing unit consisting of Section 21, Township 6 North, Range 92 West, 6th P.M., to accommodate the 12 wells to be drilled from one pad, for the development and operation of the Williams Fork and Iles Formations.

Cause No. 535, Docket No. 1008-SP-22, Checkerboard Field, Weld County, request to establish four approximate 640-acre drilling and spacing units for certain lands located in Township 8 North, Range 61 West, 6th P.M., Township 8 North, Range 62 West, 6th P.M., Township 9 North, Range 60 West, 6th P.M., Township 9 North, Range 61 West, 6th P.M. and allow up to two optional horizontal wells in each of the units.

Cause No. 535, Docket No. 1008-SP-23, Unnamed Field, Moffat County, request to: (1) vacate the approximate 320-acre drilling and spacing unit established for certain lands located in Sections 3 and 10, Township 7 North, Range 94 West, 6th P.M., and (2) establish an approximate 320-acre drilling and spacing unit for certain lands located within said Sections 3 and 10.

Cause Nos. 232 & 407, Docket No. 1008-UP-52, Wattenberg Field, Weld County, request for an order to pool all nonconsenting interests in the designated 160-acre wellbore spacing unit consisting of the S½ SE¼ of Section 2 and the N½ NE¼ of Section 11, Township 3 North, Range 66 West, 6th P.M.

The motion was seconded by Commissioner Compton and approved unanimously.

Commissioner Dowling moved to approve Consent Agenda item 1:

Cause No. 513, Docket No. 1007-SP-18, Kokopelli Field, Garfield County, Request for an order to establish a 320-acre drilling and spacing unit consisting of the E½ of Section 7 and, for certain lands in Township 6 South, Range 91 West, 6th P.M., allow the equivalent of one optional well per 10 acres, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

The motion was seconded by Commissioner Compton. Commissioner Rudolph noted that this was a matter subject to consultation with CDPHE. She noted that mention of the letter sent regarding that consultation was not included in the Draft Report of Commissioners. She requested that the Report of the Commission be amended to include a reference that the consultation with the CDPHE had occurred. Commissioner Compton inquired whether there was any particular reason why it was not reported in the Report that there had been a Protest in this matter that had been withdrawn. William Keefe, Attorney for the Applicant stated that the original application was protested, but the Applicant amended the Application to the satisfaction of the Protester, and the Protest was dropped. Motion for approval passed unanimously.

Commissioner Dowling moved to approve Consent Agenda items 4 and 5:

## RECORD OF PROCEEDINGS

---

Cause Nos. 232 & 407, Docket No. 1007-UP-49, Wattenberg Field, Weld County, request for an order to establish 40-acre drilling and spacing units consisting of certain lands in Section 19, Township 5 North, Range 62 West, 6th P.M., and to pool all nonconsenting interests in said units to accommodate the Antelope 12-19, 21-19 and 22-19 Wells, for the development and operation of the Codell, Niobrara, Dakota and "J" Sand Formations.

Cause No. 1, Docket No. 1007-UP-50, Wattenberg Field, Weld County, request for an order to establish a 160-acre drilling and spacing unit consisting of SW¼ of Section 18, Township 5 North, Range 62 West, 6th P.M., and to pool all nonconsenting interests in said unit to accommodate the Antelope 13-18, 14-18, 23-18, and 24-18 Wells, for the development and operation of the Codell, Niobrara, Dakota and "J" Sand Formations.

Seconded by Commissioner Compton. Approved unanimously, with Commissioner Cutright abstaining.

Presentation and Discussion on the Division of Wildlife Consultation Process and Wildlife Mitigation Plans by Kim Kaal, Energy Liaison, Division of Wildlife; Bob Randall, Deputy Director, Department of Natural Resources (by memo); Tim Sullivan, The Nature Conservancy; Tisha Schuller, Colorado Oil and Gas Association.

Kim Kaal: The DOW is set up with 4 statewide regions, northwest, northeast, southeast and southwest. Consultations with DOW are triggered by activity within designated areas for restricted surface occupancy (RSO) and sensitive wildlife habitat areas (SWH). Each region has an energy liaison, and some have land use specialists. Kim works primarily on wildlife mitigation plans. The land use specialists are the staff who work most directly with the permitting program.

Statewide, DOW has worked on 338 consultations for SWH's and 16 RSO's, with the majority of the activity in the NW region. Eight wildlife mitigation plans have been approved in the NW region. Twelve other plans are in various stages of development.

Examples of compensatory mitigation measures approved to date include: conservation easements, water improvements, habitat improvements, in-kind services for habitat restoration, grazing and vegetation management plans, and water source habitat improvement projects.

Program successes include: improved communication between agencies at all levels and operators; greater and more effective engagement in notice of staking process; pre-consulting on permits; improvements in permit processing time; and beneficial compensatory mitigation measures.

Program challenges include: consistency; public scoping of wildlife mitigation plans and comprehensive drilling plans; informing landowners of nature of the process; and need to provide for citizen participation in the process.

Conclusions: pre-consultation and the existence of wildlife mitigation plans result in faster permitting. Future goals include: to determine whether wildlife mitigation plans facilitate timeliness of BLM approvals of APD's; improve communication among all parties; and provide additional incentives to promote this voluntary program.

## RECORD OF PROCEEDINGS

---

Private landowners are an integral part of the negotiation process.

Tim Sullivan- State Director, The Nature Conservancy: Commented on one particular wildlife mitigation plan in SW Colorado, incorporating science-based principles in a transparent process seeking measureable results, with flexible and adaptive management. Primary principles are to avoid impacts as possible, minimize non-avoidable impacts, and offset unavoided losses. This is done by looking at a regional scale to avoid any net wildlife related losses.

Tisha Connelly Schuller, Colorado Oil and Gas Association: Gave a broad assessment of industry view of wildlife consultation process considering: 1) challenges; 2) an assessment of what is happening on the ground; and 3) solutions to current shortfalls.

Challenges: 1) consultation with DOW involves confusion and conflicting demands from landowners, DOW, BLM and COGCC. This is considered a burdensome process without incentives. It lacks a clear time frame, and is an indefinite, ill-defined process. It needs a clearer path and timeframe for getting things done. BLM and DOW have different goals, sometimes in conflict.

Suggestions: 1) continue to support coordination efforts for work groups among industry, COGCC, Mike King and Bob Randall; 2) baseline data need to be routinely updated and shared by all parties; 3) there needs to be a clear process for developing environmental protection measures (best management practices) that focus on avoidance of damage, then on mitigation.

Examples of what is happening on the ground: 1) Molina habitat restoration initiative (north face of Grand Mesa); 2) Riffle-Silt Wildlife Management Plan; 3) Piceance Basin water development projects; 4) San Juan Basin consolidation of operating facilities to reduce traffic conflicts with wildlife.

Suzanne O'Neill, Colorado Wildlife Federation commented favorably on the developments related to wildlife consultations. She was particularly interested in the level of and process of monitoring of wildlife impacts of the implemented programs in their upcoming years to follow the progress made under these efforts. She stated that she thought it was important that the monitoring information be made available to interested parties not engaged in development of the wildlife mitigation plans.

### Administrative Order By Consent

- Cause No. 1V, Docket No. 1008-OV-06, Garfield County

Subject: Request for approval of an Administrative Order by Consent with Williams Production RMT Company to resolve violation of Rules 324A.a., 324A.b., 902.a., 903.a., and 907.a.(2) for oil and gas operations at the Puckett #WGV 21-23-697 and Puckett #WGV 22-23-697 Wells, located in the NE¼ NW¼ of Section 23, Township 6 South, Range 97 West, 6th P.M.

Commissioner Epel disclosed that he has a professional relationship with counsel for the applicant in this matter on unrelated out-of-state matters. He believes that this relationship will not interfere in any way with his ability to objectively participate in this matter.

## RECORD OF PROCEEDINGS

---

Assistant Attorney General Matt Lepore disclosed that in private practice before he worked for the Attorney General's office, he represented a company called Nonsuch, which is one of four operating companies in the area that had received NOAV's. He has not participated in any aspect of this matter and recused himself from participation in this matter before the Commission today.

Rob Willis, Enforcement Officer, COGCC, introduced the matter and summarized the Administrative Order by Consent negotiated between the staff and Williams Production RMT Company. Commissioners asked follow-up questions. Responses were made by various staff present. Alan Harrison, Vice President, Denver Region-Williams Production made a brief statement regarding his company's ongoing commitment to produce gas in the Piceance Basin, consistent with environmental and regulatory requirements.

Commissioner Dowling moved for approval of the staff recommendation in this matter, including the incorporation of the letter agreement, dated August 9, 2010, Re: Williams RMT Company and Prather/Section 14 Landowner Agreement on Prather/Section 14 Landowner Comments to AOC. Seconded by Commissioner Cutright, and approved unanimously. Commissioners Dowling and Houpt expressed concern over the calculation of fines in this matter and in similar matters as being too lenient in view of statutory mandates.

### Lunch/Executive Session

No executive session was necessary. Only one short item needed to be discussed by legal counsel.

*Grand Valley Citizens Alliance v. COGCC* – Matt Lepore, Assistant Attorney General reported that a petition for *certiorari* has been filed with the Colorado Supreme Court in the case as directed by the Commission at its last meeting.

### Hearing Matters

- Cause No.1, Docket No. 1008-GA-11, Cheyenne County. Applicant: Cheyenne County Board of County Commissioners, Commissioner Jerry Allen.

Request for Commission hearing to seek a variance from Rule 804., Visual Impact Mitigation, to exempt all operators within the County from painting production facilities, which are observable from any public highway, with uniform, non-contrasting, non-reflective color tones and with colors matched to but slightly darker than the surrounding landscape by September 1, 2010.

Carol Harmon introduced the matter. Jerry Allen, County Commissioner for Cheyenne County, Colorado presented the case for Cheyenne County. Summary points included:, 1) Cheyenne County is rural in nature; 2) oil and gas represents about 67% of assessed value; 3) aesthetics of tank and ancillary features is not a big concern; 4) the cost of conducting the required painting is of concern to operators in the county; 5) there is fear that the cost could cause low producing wells to be shut in; and 6) the county commissioners do not believe that enforcement of the rule as written is necessary for the protection, health and safety of citizens and residents of Cheyenne County.



## RECORD OF PROCEEDINGS

---

Motion for approval of the variance request was made by Commissioner Compton, modified by friendly amendment by Commissioner Houpt that was accepted by Commissioner Compton and seconded by Commissioner Dowling. The restated motion approves the requested exemption from Rule 804, waiving the requirement to repaint facilities to any particular color by September 2010, but not waiving a painting obligation to keep the facilities in good condition. The motion passed unanimously.

- Cause No. 1, Docket No. 1008-GA-10, Wattenberg Field, Weld County  
Applicant: Treasure Resources, Inc. Request for Commission hearing, related to non-payment of royalties, alleging that neither Petro-Canada Resources (USA) Inc. nor Noble Energy, Inc. has made any production payments to the payee for production taken from the Roth #24-21 and Pepler #24-32 Wells.

Carol Harmon introduced the matter. The matter has been bifurcated so that the Commission would only hear a jurisdictional issue at the August hearing. Prehearing Conference was held August 4, 2010. The Hearing Officer recommends that the Commission grant Protestant's Motion to Dismiss for lack of jurisdiction.

Attorneys for the parties summarized their respective clients' positions. Commissioners asked questions for clarification, which were responded to by counsel for the parties. Commissioner Rudolph asked Assistant Attorney General, Matt Lepore his view on the matter of the Commission's jurisdiction in the matter. Mr. Lepore stated he agreed with the position taken by the Hearing Officer.

Commissioner Dowling moved to dismiss the application for lack of Commission jurisdiction. Motion was seconded by Commissioner Compton and approved unanimously.

- Cause No. 535, Docket No. 1007-SP-20, Checkerboard Field, Weld County  
Applicant: Rubicon Oil & Gas, LLC.

Request for an order to establish one hundred forty-five (145) 640-acre drilling and spacing units consisting of certain lands in Township 8 North, Range 67 West, 6th P.M., Townships 8 through 10 North, Range 66 West, 6th P.M., and Townships 8 through 11 North, Range 67 West, 6th P. M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations.

Carol Harmon introduced the matter. This matter had not been heard by a Hearing Officer. It was unopposed but set for hearing by the Commission because of the unusual size and the newness and importance of the play.

Attorney, Gretchen VanderWerf, summarized the application on behalf of the Applicant, Rubicon, as a request for an order to establish 145 640-acre drilling and spacing units in Weld County for horizontal wells in the Codell and Niobrara Formations. Anadarko owns all the minerals in 47 sections. Rubicon has contractual rights to develop those sections. Rubicon has a controlling interest in the application lands. It has drilled 5 wells. Need spacing order and field rules to develop in efficient manner. Rubicon is seeking 1 well/640 acres or per section with 600 foot setback from section lines that would apply to the horizontal lateral.

Rubicon called three witnesses; Gary Green, Land Manager for Rubicon; Michael Hayes, Geologist; and Andrew Burleson, consulting Petroleum Engineer. (Witnesses were sworn, and Chairman Epel accepted all three as experts in their respective fields.)

## RECORD OF PROCEEDINGS

---

Mr. Green established that Rubicon has leasehold or contractual interests in all 145 sections. Rubicon controls 90% of the gross mineral acres in the application lands. Rubicon sent over 400 notices to interested parties (mineral owners) and received no protests.

Mr. Hayes described the geology and explained the basis for wanting to have 640 acre spacing on both formations, based on the horizontal drilling through fractured formations. Rubicon has drilled five wells, one well in the Codell Formation and four in the Niobrara Formation. They are separate formations even though the Niobrara is immediately on top of the Codell. Both formations are present throughout the application lands. Rubicon asked for separate spacing for each formation with one well in each formation in each section. Mr. Hayes testified that these are exploratory wells; there is not a lot of control; there is no seismic data in some areas. He testified that 640-acre spacing for the Niobrara and Codell Formations is appropriate, would prevent waste, would help avoid drilling unnecessary wells, and would protect correlative rights.

Mr. Burleson described his drainage calculations for the two subject formations. He opined that based on currently available information, 640 acre spacing is the most appropriate spacing for the Application Lands. Rubicon exhibits 1-12 were admitted into evidence. A Written Statement Under Rule 510 submitted by Noble Energy, Inc. was passed out to the commissioners and incorporated into the hearing record.

Commissioner Dowling moved for approval of the application as submitted, seconded by Commissioner Cutright. Motion approved unanimously.

Adjourned 4:20 p.m.

=====  
The Secretary was therefore authorized to issue the following orders:

Order No. 407-375, Wattenburg Field, Weld County: Approves the request for an order to pool all nonconsenting interests in the four designated approximate 80-acre standup drilling and spacing units consisting of the W $\frac{1}{2}$  SW $\frac{1}{4}$ , E $\frac{1}{2}$  SW $\frac{1}{4}$ , W $\frac{1}{2}$  SE $\frac{1}{4}$ , E $\frac{1}{2}$  SE $\frac{1}{4}$  of Section 6, Township 5 North, Range 62 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations.

Order No. 191-78 Mamm Creek Field, Garfield County: Approves the request for an order to pool all nonconsenting interests in the established 640-acre drilling and spacing unit consisting of Section 21, Township 6 North, Range 92 West, 6th P.M., to accommodate the 12 wells to be drilled from one pad, for the development and operation of the Williams Fork and Iles Formations.

Order No. 535-1, Checkerboard Field, Weld County: Approves the request to establish four approximate 640-acre drilling and spacing units for certain lands located in Township 8 North, Range 61 West, 6th P.M., Township 8 North, Range 62 West, 6th P.M., Township 9 North, Range 60 West, 6th P.M., Township 9 North, Range 61 West, 6th P.M. and allow up to two optional horizontal wells in each of the units.

Order No. 534-2, Unnamed Field, Moffat County: Approves the request to: (1) vacate the approximate 320-acre drilling and spacing unit established for

## RECORD OF PROCEEDINGS

---

certain lands located in Sections 3 and 10, Township 7 North, Range 94 West, 6th P.M., and (2) establish an approximate 320-acre drilling and spacing unit for certain lands located within said Sections 3 and 10.

Order Nos. 232-260 & 407-376, Wattenberg Field, Weld County: Approves a request for an order to pool all nonconsenting interests in the designated 160-acre wellbore spacing unit consisting of the S½ SE¼ of Section 2 and the N½ NE¼ of Section 11, Township 3 North, Range 66 West, 6th P.M.

Order No. 513-7, Kokopelli Field, Garfield County: Approves a request for an order to establish a 320-acre drilling and spacing unit consisting of the E½ of Section 7, and for certain lands in Township 6 South, Range 91 West, 6th P.M., allow the equivalent of optional one well per 10 acres, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Order No. 1-152, Wattenberg Field, Weld County: Approves a request for an order to establish 40-acre drilling and spacing units consisting of certain lands in Section 19, Township 5 North, Range 62 West, 6th P.M., and to pool all nonconsenting interests in said units to accommodate the Antelope 12-19, 21-19 and 22-19 Wells, for the development and operation of the Codell, Niobrara, Dakota and "J" Sand Formations.

Order No. 1-153, Wattenberg Field, Weld County: Approves a request for an order to establish a 160-acre drilling and spacing unit consisting of SW¼ of Section 18, Township 5 North, Range 62 West, 6th P.M., and to pool all nonconsenting interests in said unit to accommodate the Antelope 13-18, 14-18, 23-18, and 24-18 Wells, for the development and operation of the Codell, Niobrara, Dakota and "J" Sand Formations.

Order No. IV-350, Garfield County: Approves an Administrative Order by Consent with Williams Production RMT Company (with letter agreement attached) to resolve violation of Rules 324A.a., 324A.b., 902.a., 903.a., and 907.a.(2) for oil and gas operations at the Puckett #WGV 21-23-697 and Puckett #WGV 22-23-697 Wells, located in the NE¼ NW¼ of Section 23, Township 6 South, Range 97 West, 6th P.M.

Order No. 1-154, Cheyenne County: Approves a partial variance from Rule 804., Visual Impact Mitigation, to exempt all operators within the County from painting production facilities with uniform, non-contrasting, non-reflective color tones and with colors matched to but slightly darker than the surrounding landscape by September 1, 2010. (It does not exempt operators from the requirement under Rule 804 to paint production facilities.)

Order No. 1-155, Wattenberg Field, Weld County: Dismisses, for lack of subject matter jurisdiction, a request by Treasure Resources, Inc. for a Commission hearing related to non-payment of royalties alleging that neither Petro-Canada Resources (USA) Inc. nor Noble Energy, Inc. has made any production payments to the payee for production taken from the Roth #24-21 and Peppler #24-32 Wells.

Order No. 535-2, Checkerboard Field, Weld County: Approves a request for an order to establish one hundred forty-five (145) 640-acre drilling and spacing units consisting of certain lands in Township 8 North, Range 67 West,

**RECORD OF PROCEEDINGS**

---

6th P.M., Townships 8 through 10 North, Range 66 West, 6th P.M., and Townships 8 through 11 North, Range 67 West, 6th P. M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations.

---

Carol Harmon, Secretary

Approved:

---

Joshua Epel, Chair