

RECORD OF PROCEEDINGS

August 8, 2011

The Oil and Gas Conservation Commission (“COGCC”) met on August 8, 2011, in Suite 801 of The Chancery Building, 1120 Lincoln Street, Denver, Colorado.

Roll Call of Commissioners:

Present:

Tom Compton	Vice Chairman
Richard D. Alward	Commissioner
John Benton	Commissioner
Deann Craig	Commissioner
Tommy Holden	Commissioner
Mike King	Commissioner
Perry Pearce	Commissioner
Christopher Urbina	Commissioner
David Neslin	Director
Rob Willis	Acting Hearings Manager

Absent:

Andrew Spielman	Commissioner
-----------------	--------------

Vice Chair Compton asked all Commissioners to briefly introduce themselves for the benefit of the three new Commissioners. Director Neslin had all staff present introduce themselves and identify their function.

Approval of Proceedings:

Commissioner Pearce moved for the approval of the minutes of the June 27, 2011 meeting. The motion was seconded by Commissioner Benton and approved unanimously.

DNR Executive Director’s Report:

Executive Director King thanked the new Commissioners for agreeing to serve and reported on the following:

- 1) Work on the Roadless Rule is expected to be completed by the end of the year.
- 2) The State Land Board is developing a land use management plan for the Lowry Range.
- 3) The Colorado Water Conservation Board is currently engaged in studying water requirements for energy development.
- 4) The Governor spoke at the Colorado Oil & Gas Association meeting last week and affirmed water, and oil and gas issues are among his administration’s top priorities.

Director’s Report:

Director Neslin highlighted the following from the written Staff Report (available on the web page):

RECORD OF PROCEEDINGS

- Northwest Colorado Oil and Gas Forum. 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. The next meeting is scheduled for September 1, 2011, at 10:00 am. At the Colorado Mountain College — West Garfield Campus, 3695 Airport Road in Rifle, CO.
- East Mamm Creek Area Investigation. COGCC staff is continuing work on a project to evaluate existing data and review past and present drilling and completion practices in the East Mamm Creek area of Garfield County. Staff and consultants are: reviewing current COGCC policies, procedures, and timelines; analyzing compositional and isotopic gas data; evaluating gas well construction and mechanical integrity testing; reviewing water well sample data; and reviewing published geologic data. At the conclusion of the project review, recommendations will be developed to improve future drilling and completion practices to add additional protections for groundwater and surface water resources from natural gas exploration and production activities as necessary.
- Gas and Oil Regulatory Team (GORT) Meeting. Approximately 25 people attended the July 21, 2011, GORT/Southwest Colorado Oil and Gas Stakeholders meeting in Durango. COGCC staff updated the group on oil and gas activities in the state, ongoing 4M mitigation and monitoring activities as well as ongoing regional projects. BP and DOW staff presented their recently approved San Juan Basin Wildlife Mitigation Plan and Southern Ute Indian Tribe staff gave a presentation on gas interceptor wells and carbon credits. The next meeting is scheduled for October 20, 2011, at 8:30 am at the La Plata County Fairgrounds in Durango, Colorado.
- Fruitland Formation Outcrop - 4M Pilot Scale Mitigation Projects La Plata County. The South Fork Texas Creek (SFTC) Mitigation system is still operating at 12kW. During the period June 3, 2011, through June 27, 2011, the turbine was operational 72% of the time. Gas continues to be collected and vented at the Pine River Ranches (PRR) location. Methane concentrations currently average 73% at SFTC and 3% at PRR. The annual Operations & Maintenance summary report is being prepared and will be posted to our website under Library, San Juan Basin, 4M Project Reports when complete.
- 4M Monitoring Wells La Plata and Archuleta Counties. There are 17 wells at 11 locations in the COGCC 4M monitoring program. Well pressures are monitored remotely via satellite telemetry with one or two maintenance visits per year, depending upon data received. Annual maintenance was conducted during the week of August 1, 2011. Weed management activities are ongoing.
- Ongoing Investigation, Reclamation, and Mitigation of Residual Methane in the Vicinity of the Bryce 1-X Well Area, Bondad, Colorado. COGCC staff continues to monitor groundwater from 4 domestic water wells in the vicinity of the plugged and abandoned Bryce 1-X in Bondad, Colorado. The next sampling event is scheduled for September or October 2011.
- San Juan Basin Water Quality Analysis (SJBWQA) Project. An update to the SJBWQA was conducted by AMEC-Geomatrix staff. The final report is available on our website under Library, San Juan Basin, Studies in the San Juan Basin, "Updated Trend and Data Analysis, San Juan Basin Water Quality Analysis Project, San Juan Basin Colorado (June 2011). A full staff update is scheduled later in the meeting.

RECORD OF PROCEEDINGS

- New Raymer Gas Plant, Weld County. COGCC staff is working with an operator to remove equipment and reclaim an abandoned gas processing plant in northern Weld County. Water samples were collected for a broad range of constituents from a nearby water well in the fall of 2010 and no impacts were detected. COGCC staff visited the site on June 29, 2011, after most equipment was removed and collected several shallow soil samples. Results of laboratory analysis are pending.
- Baseline Water Quality Sampling – Elbert, Jackson, Park and Weld Counties. COGCC is developing a program in conjunction with a number of operators and Local Government Designees (LGDs) regarding a surface and groundwater sampling program in Elbert, Jackson, Park and Weld Counties. In particular this program applies to un-spaced areas where the Director has approved drilling permits for horizontal wells in the Niobrara Formation and where the Commission has issued recent spacing orders for horizontal wells in the Niobrara Formation. These sampling efforts supplement previous work by COGCC staff to establish baseline water quality in advance of further development of oil and gas resources in that area. Sampling will continue during the long term development of the resource and the results would be used to establish regional water quality baseline conditions and help determine whether impacts from oil and gas operations have occurred.
- Wattenberg Bradenhead Testing. The Wattenberg Bradenhead Test Area approved by the Commission on December 16, 2009, ordered operators to begin testing on January 15, 2010. The test area includes wells having a surface casing set at a depth above the Fox-Hills aquifer (“short surface casing”). There are 2,386 wells with short surface casing in the test area. Operators have reported to the COGCC on 1988 wells (83%) with 87 (4%) of the tested well having Bradenhead pressures greater than the 25 psi.
- E&P Waste Disposal Options. COGCC staff recently identified numerous incidents involving the improper management of tank bottoms in northeast Colorado. Operators are reminded that tank bottoms, workover fluids, pigging wastes from gathering and flowlines, and natural gas gathering, processing, and storage wastes are considered “Other E&P Waste” and must be managed in accordance with Rule 907.f., which states that these types of wastes may be treated or disposed as follows: 1) Disposal at a commercial solid waste disposal facility; 2) Treatment at a centralized E&P waste management facility permitted in accordance with Rule 908; 3) Injection into a Class II injection well permitted in accordance with Rule 325; or 4) An alternative method proposed in a waste management plan in accordance with Rule 907.a.(3) and approved by the Director.
- Methane Investigation Monitoring, and Mitigation Plan (MIMMP) - Huerfano County. Petroglyph has applied for a Commission order to establish an orderly transition to terminate its coal bed methane (CBM) operations in Huerfano County, and plug and abandon its wells. Staff is actively working with Petroglyph and residents who have been impacted by the Petroglyph CBM operations, to resolve outstanding differences regarding long term remediation issues. The matter is expected to be heard at the Commission’s September meeting.
- 2010 Raton Basin Coal Mine Gas Seep and P&A Well Investigations. As part of compliance with sections of Rule 608, Pioneer Natural Resources and XTO Energy have submitted summary reports of ground and aerial surveys of methane seeps associated with coal mines in portions of the Raton Basin. Documents related to these investigations can be viewed on the COGCC website.
- Steve Labowskie has been hired to fill the southwest Colorado field inspection position. He is a geologist with over 18 years of experience, including geological consulting and project management for the oil and gas and mining industries.

RECORD OF PROCEEDINGS

- 2010 Outstanding Oil and Gas Operations Awards. The 15th anniversary COGCC 2010 Outstanding Operations Awards were presented by Department of Natural Resources Executive Director Mike King at the Rocky Mountain Energy Epicenter hosted by the Colorado Oil and Gas Association during the keynote luncheon on August 3, 2011. The recipients of the 2010 COGCC Outstanding Operations Awards were: 1) Anadarko Petroleum Corporation- Three awards in the categories of Environmental Protection, Community Relations, and Water Quality Protection; 2) Williams Production RMT - Two awards in the categories of Community Relations and Water Quality Protection; 3) Noble Energy, Inc- An award in the category of Environmental Protection; 4) BP America - An award in the category of Environmental protection; and 5) EnCana Oil and Gas (USA) Inc. - An award in the category of Drilling and Completion.
- Public Outreach Opportunities. On June 22, 2011, Dave Andrews, Western Colorado Engineering Supervisor, Dave Kubeczko, Western Colorado Location Assessment Specialist, and Kris Neidel, Northwest Colorado Field Inspector, attended a presentation by Quicksilver Resources, Inc. in Craig, CO. The presentation pertained to the operator's ongoing drilling activities near Craig. While COGCC staff did not present at the meeting, they visited the operator's active drilling location prior to the meeting and participated in a question and answer session with the public and local government officials following the presentation.
- Onsite Inspection Policy. The COGCC has received a total of 146 requests for onsite inspections to date under the Policy For Onsite Inspections On Lands Where The Surface Owner Is Not A Party To A Surface Use Agreement Policy, effective for Applications for Permits-to-Drill (APDs) submitted after February 15, 2005. Thirty-two onsite inspections have been conducted, while 97 requests for inspections have been withdrawn. Sixteen onsite inspections are pending and will be scheduled, if necessary, after the Application for Permit-to-Drill (APD) is received, or after issues related to local governmental designee consultation, location change, or surface use agreements are resolved. COGCC staff attended on-site meetings to facilitate communication between the parties and to minimize impacts to the surface owner through voluntary measures implemented by the operator in instances where surface owners have requested onsite inspections beyond the 10 business-day window provided for in the Policy, and where there is a dispute between parties regarding the date of the Rule 306 consultation.
- Variances. Pioneer Natural Resources USA Inc. was granted a variance from final drilling pit reclamation at the Sciacca H 32-18, 05-071-07710, in Las Animas County. This was an abandoned location where the drill pit was constructed but never used. It is being left at the landowners request as a shallow depression to collect water for livestock and or wildlife.

Thom Kerr highlighted some of the permitting statistics contained in the Staff Report.

Director Neslin reported the following matters not covered in the written Staff Report:

- The STRONGER report is expected within 30 to 60 days.
- The EPA Interim Fracing Report is expected at the end of 2012. The final report is expected in 2014.
- The Department of Energy- Science Advisory Board is expected to release its fracing study before the end of the month.

RECORD OF PROCEEDINGS

- Staff is developing a draft rule for public disclosure of fracking information at the Governor's request. The rulemaking is expected to take place by the end of the year.
- Colorado Oil & Gas Association is implementing a voluntary water quality monitoring program.
- A 2009 hydrogen sulfide incident at a Noble Energy facility in the Piceance Basin is under investigation.

Commissioner Comments:

Commissioner Pearce expressed appreciation to the Director and staff in orienting the new Commissioners in preparation for this meeting.

Commissioner Craig thanked COGA for the opportunity to attend its meeting last week.

Commissioner Alward recalled an important lesson from his orientation four years ago when Harris Sherman advised the new Commissioners that although Commissioners are appointed with specific expertise and backgrounds under a legislative mandate, that their role on the Commission is not to represent a particular constituency, but to contribute to discussions based on their expertise and experience in an attempt to help each other reach consensus as much as possible.

Commissioner Benton commented after hearing the discussion on water quality monitoring, that the oil and gas industry as a whole needs to remember that it produces water along with oil and gas, and that water is an important resource that must be managed carefully as well as the hydrocarbons.

Vice Chair Compton stated that he was running the meeting by default as Vice Chair and that the Commission would elect officers at the September meeting.

Audience Comments:

Jep Seman from the Colorado Petroleum Association (CPA) welcomed the new Commissioners, introduced his organization, and expressed his organization's interest in constructive engagement with the Commission in working for balanced development of the state's hydrocarbon resources. His organization is looking forward to working on the proposed hydraulic fracturing disclosure rule.

Andrew Casper, Regulatory Specialist with Colorado Oil & Gas Association (COGA) also welcomed the new Commissioners, introduced his organization, answered questions about it, and stated his organization was looking forward to working with the new Commission.

Consent Agenda

With 48 matters listed for the Consent Agenda, Vice Chair Compton suggested that the Commission consider the matters in five groups, as organized by staff.

Group A

Vice Chair Compton asked if any Commissioners had a conflict of interest or recusals with any of the items within Group A of the Consent Agenda. No disclosures were reported. He asked if any Commissioners wanted to have any matter pulled from Group A of the Consent Agenda. No such requests were made.

RECORD OF PROCEEDINGS

Commissioner Pearce moved for the approval of all Group A applications of the Consent Agenda, as presented including the following:

Docket No. 1108-SP-82, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 320-acre wellbore spacing unit for the S $\frac{1}{2}$ of Section 6, Township 2 North, Range 67 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-83, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 320-acre wellbore spacing unit for the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 6, Township 4 North, Range 64 West, 6th P.M. and the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 31, Township 5 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-84, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 400-acre wellbore spacing unit for the S $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 18 and the N $\frac{1}{2}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 19, Township 3 North, Range 64 West, 6th P.M., and the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 13 and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 24, Township 3 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-85, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 320-acre wellbore spacing unit for the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 35 and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 36, Township 4 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-86, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 400-acre wellbore spacing unit for the SE $\frac{1}{4}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 7 and the E $\frac{1}{2}$ W $\frac{1}{2}$ and W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 18, Township 3 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-87, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 480-acre wellbore spacing unit for the S $\frac{1}{2}$ N $\frac{1}{2}$ and N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 1 and the S $\frac{1}{2}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 2, Township 4 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-88, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 400-acre wellbore spacing unit for the N $\frac{1}{2}$ S $\frac{1}{2}$ and S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 28 and the NE $\frac{1}{4}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, Township 5 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-89, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 320-acre wellbore spacing unit

RECORD OF PROCEEDINGS

for the S $\frac{1}{2}$ of Section 36, Township 5 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-90, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 400-acre wellbore spacing unit for the E $\frac{1}{2}$ NE $\frac{1}{4}$ and E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 11, the W $\frac{1}{2}$ NW $\frac{1}{4}$ and W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 12, the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 13, and the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 14, Township 4 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-91, Wattenberg Field, Boulder County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 320-acre wellbore spacing unit for the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 1 and the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 12, Township 1 South, Range 69 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-92, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 320-acre wellbore spacing unit for the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 3 and the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 10, Township 4 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-93, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 320-acre wellbore spacing unit for the W $\frac{1}{2}$ of Section 24, Township 6 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-94, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 296.84-acre wellbore spacing unit for the W $\frac{1}{2}$ of Section 31, Township 3 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-95, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 400-acre wellbore spacing unit for the E $\frac{1}{2}$ W $\frac{1}{2}$ and W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 19 and the NE $\frac{1}{4}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 30, Township 3 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-96, Vernon Field, Yuma County, Applicant Noble Energy, Inc., Request for an order to establish four approximate 40-acre drilling and spacing units for certain lands located in the SW $\frac{1}{4}$ of Section 35, Township 1 South, Range 45 West, 6th P.M., wherein the Cantrall Trust wells are planned, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-97, Unnamed Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish forty-four (44) approximate 640-acre drilling and spacing units for certain lands located in Townships 7 through 9 North, Ranges 59 and 61 West, 6th P.M., and approve of two (2) horizontal wells within each unit, for

RECORD OF PROCEEDINGS

the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-100, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 400-acre wellbore spacing unit for the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 6, Township 4 North, Range 64 West, 6th P.M., the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 1, Township 4 North, Range 65 West, 6th P.M., the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 31, Township 5 North, Range 64 West, 6th P.M., and the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 36, Township 5 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-104, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to establish an approximate 320-acre wellbore spacing unit for the S $\frac{1}{2}$ N $\frac{1}{2}$ and N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 14, Township 6 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

The motion was seconded by Commissioner Alward and approved unanimously.

Group B

Acting Hearings Manager, Rob Willis, explained four matters of Group B needed special attention from the Commission as follows:

1) Docket No. 1108-SP-81, Chesapeake Exploration. This matter did not meet full jurisdictional publication requirements. The Notice of Hearing publication in a Denver newspaper did not occur as required. He proposed that the matter be provisionally approved, pending proper publication of the Notice of Hearing for the September Commission meeting, providing those potentially interested parties who did not otherwise receive notice of hearing with an opportunity to file a protest if done before the protest date for the September Commission meeting. If no protests are filed before the protest deadline, the provisional status of the Order would disappear, and the Order would enter as provisionally approved. If a protest is filed, the provisional status would be rescinded and the matter would be treated as any other protested matter on the September 2011 docket.

2) Docket No. 1108-SP-103, Chesapeake Exploration. Chesapeake attorney, Ken Wonstolen requested an amendment to the requested 600 foot setbacks to 460 feet to conform to Rule 318A, for this application seeking a horizontal well in a 640-acre drilling and spacing unit. He further requested an amendment to the final order clarifying that nothing in the order shall affect surface location requirements specified in Rule 318A.

3) Docket No. 1106-SP-67, Carrizo Oil & Gas. Certain lands contained in the original application were pulled out of the Order that was considered and approved at the June 2011 meeting with the intent that those lands be approved at the August Commission meeting. The draft order approving the continued lands was inadvertently omitted from the Commissioners' hearing package and is presented today with a staff recommendation for approval.

4) Docket No. 1108-SP-99, Carrizo. On August 3, 2011, Carrizo's attorney requested that a section of land be pulled from consideration at the August Commission meeting, and continued for consideration at the Commission September meeting. This was after the Commissioners' August hearing packages were sent out. A revised draft order with the requested change is in the

RECORD OF PROCEEDINGS

Commissioners' supplemental materials handed out today. Staff is recommending approval of the revised order.

Vice Chair Compton asked if any Commissioners had a conflict of interest or recusals with any of the items within Group B of the Consent Agenda. No disclosures were reported. He asked if any Commissioners wanted to have any matter pulled from Group B of the Consent Agenda. No such requests were made.

Commissioner Alward moved for the approval of all Group B applications of the Consent Agenda, as revised and as recommended by staff including the following:

Docket No. 1106-SP-52, Wattenberg Field, Weld County, Applicant Continental Resources, Inc., Request for an order to: (1) vacate the approximate 640-acre drilling and spacing unit established for Section 24, Township 8 North, Range 62 West, 6th P.M.; (2) establish four approximate 1,280-acre drilling and spacing units for certain lands located in Townships 7 and 8 North, Ranges 61 and 62 West, 6th P.M., and approve one horizontal well within each unit; and (3) establish nine approximate 640-acre drilling and spacing units for certain lands located in Townships 7 through 9 North, Ranges 60 through 62 West, 6th P.M., and approve one horizontal well within each unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formations.

Docket No. 1108-SP-78, Unnamed Field, Weld County, Applicant Chesapeake Exploration, LLC, Request for an order to establish an approximate 640-acre drilling and spacing unit for Section 28, Township 11 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-79, Unnamed Field, Elbert/Douglas Counties, Applicant Chesapeake Exploration, LLC, Request for an order to establish twenty four (24) approximate 640-acre drilling and spacing units for certain lands located Townships 6 and 7 South, Ranges 63 through 65 West, 6th P.M., and approve one horizontal well within each unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-80, Unnamed Field, Douglas County, Applicant Chesapeake Exploration, LLC, Request for an order to establish an approximate 640-acre drilling and spacing unit for Section 8, Township 6 South, Range 66 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-81, Unnamed Field, Weld County, Applicant Chesapeake Exploration, LLC, Request for an order to establish an approximate 640-acre drilling and spacing unit for Section 32, Township 11 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1106-SP-67, Unnamed Field, Weld County, Applicant Carrizo Oil & Gas, Inc., Request for an order to establish two approximate 640-acre drilling and spacing units for Sections 4 and 17, Township 7 North, Range 60 West, 6th P.M., and approve up to two horizontal wells within each unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

RECORD OF PROCEEDINGS

Docket No. 1108-SP-99, Unnamed Field, Weld County, Applicant Carrizo Oil & Gas, Inc., Request for an order to establish five approximate 640-acre drilling and spacing units for Section 25, Township 8 North, Range 60 West, 6th P.M., Section 34, Township 9 North, Range 58 West, 6th P.M., Section 1, Township 9 North, Range 59 West, 6th P.M., and Sections 11 and 20, Township 9 North, Range 60 West, 6th P.M., and approve up to two horizontal wells within each unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-103, Wattenberg Field, Weld County, Applicant Chesapeake Exploration, LLC, Request for an order to establish an approximate 640-acre drilling and spacing unit for Section 28, Township 4 North, Range 63 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-105, Wattenberg Field, Weld County, Applicant Chesapeake Exploration, LLC, Request for an order to establish an approximate 640-acre drilling and spacing unit for Section 8, Township 1 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-106, Unnamed Field, Weld County, Applicant Whiting Oil & Gas Corp., Request for an order to establish an approximate 960-acre drilling and spacing unit for the S½ of Section 25 and Section 36, Township 10 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-107, Unnamed Field, Weld County, Applicant Whiting Oil & Gas Corp., Request for an order to establish three (3) approximate 960-acre drilling and spacing units for certain lands located in Townships 10 and 11 North, Ranges 57 and 59 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas and associated hydrocarbons from the Niobrara Formation.

The motion was seconded by Commissioner Holden and approved unanimously.

Group C

Vice Chair Compton asked if any Commissioners had a conflict of interest or recusals with any of the items within Group A of the Consent Agenda. No disclosures were reported. He asked if any Commissioners wanted to have any matter pulled from Group A of the Consent Agenda. No such requests were made.

Commissioner Urbina moved for the approval of all matters of Group C of the Consent Agenda, including the following:

Docket No. 1108-EX-11, Ignacio-Blanco Field, La Plata County, Applicant Samson Resources Company, Request for an order to grant a well location exception for the Colorado 32-7-3 #16 Well (the "Well"), a directional well, with an intended bottomhole location of 660 feet FSL and 660 feet FEL in the SE¼ SE¼ of Section 3, Township 32 North, Range 7 West, N.M.P.M. and actual bottomhole location of the Well is 681.6 feet FSL and 583.2 feet FEL, for the production of gas and associated hydrocarbons from the Fruitland coal seam.

RECORD OF PROCEEDINGS

Docket No. 1108-SP-101, Plateau Field, Mesa County, Applicant Laramie Energy II, LLC, Request for an order to: (1) establish a 32- acre drilling and spacing unit for the N½ of Section 25, Township 9 South, Range 95 West, 6th P.M. (the "Application Lands"), and approve the equivalent of one well per 10 acres well density within the unit, for the production of oil and gas, and associated hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group, and the Mancos, Niobrara, Frontier, and Mowry Formations (the "Deep Formations"); and (2) pool all nonconsenting interests in the proposed 320-acre drilling and spacing unit for the Application Lands, for the development and operation of the Williams Fork and Iles Formations of the Mesaverde Group and the Deep Formations.

Docket No. 1108-SP-102, Craig Field, Moffat County, Applicant Gulfport Energy Corporation, Request for an order to: (1) establish two approximate 640-acre drilling and spacing units for certain lands located in Sections 9, 10, and 11, Township 6 North, Range 91 West, 6th P.M. (the "Application Lands"), and approve up to two vertical, highly deviated or horizontal wells within each unit; and (2) pool all nonconsenting interests for the proposed drilling and spacing units for the Application Lands, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1108-SP-108, Buzzard Field, Mesa County, Applicant Laramie Energy II, LLC, Request for an order to: (1) establish a 160-acre drilling and spacing unit for the SW¼ of Section 19, Township 9 South, Range 94 West, 6th P.M. (the "Application Lands"), and approve the equivalent of one well per 10 acres well density within the unit; and (2) approve the equivalent of one well per 10 acres well density for the proposed 160-acre drilling and spacing unit for the Application Lands, for the production of gas and associated hydrocarbons from the Williams Fork, Iles, Mancos, Niobrara, Frontier and Mowry Formations.

Commissioner Craig stated that she believed that there was an inconsistency as to whether the draft orders were for production of oil, gas, or oil and gas and related hydrocarbons. Acting Hearings Manager, Willis responded that all of the applications should be for the production of oil, gas and related hydrocarbons, and if the orders did not so state, that they would be corrected to so state.

The motion was seconded by Commissioner Benton and approved unanimously.

Group D and E

Vice Chair Compton asked if any Commissioners had a conflict of interest or recusals with any of the items within Group D or Group E of the Consent Agenda. No disclosures were reported. He asked if any Commissioners wanted to have any matter pulled from Group D or Group E of the Consent Agenda. No such requests were made.

Commissioner Benton moved for the approval of all Group D and Group E of the Consent Agenda, including the following:

Docket No. 1106-UP-53, Checkerboard Field, Weld County, Applicant Chesapeake Exploration, LLC, Request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit established for Section 32, Township 10 North, Range 66 West, 6th P.M., to accommodate the Sidwell #32-10-66 1H Well, for the development and operation of the Niobrara Formation.

RECORD OF PROCEEDINGS

Docket No. 1106-UP-63, Unnamed Field, Weld County, Applicant Chesapeake Exploration, LLC, Request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit established for Section 9, Township 10 North, Range 67 West, 6th P.M., for the development and operation of the Niobrara Formation.

Docket No. 1106-UP-64, Unnamed Field, Weld County, Applicant Chesapeake Exploration, LLC, Request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit which may be established for Section 4, Township 6 North, Range 62 West, 6th P.M., for the development and operation of the Niobrara Formation.

Docket No. 1106-UP-65, Unnamed Field, Weld County, Applicant Chesapeake Exploration, LLC, Request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit which may be established for Section 34, Township 7 North, Range 62 West, 6th P.M., for the development and operation of the Niobrara Formation.

Docket No. 1108-UP-79, Unnamed Field, Weld County, Applicant Chesapeake Exploration, LLC, Request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit established for Section 24, Township 9 North, Range 67 West, 6th P.M., to accommodate the planned Hediger #24-9-67 1H Well, for the development and operation of the Niobrara Formation.

Docket No. 1108-UP-81, Unnamed Field, Weld County, Applicant Chesapeake Exploration, LLC, Request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit established for Section 24, Township 8 North, Range 67 West, 6th P.M., to accommodate the planned Lindstrom #24-8-67 1H Well, for the development and operation of the Niobrara Formation.

Docket No. 1108-UP-82, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to pool all nonconsenting interests in a designated 160-acre wellbore spacing unit for the NE $\frac{1}{4}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., for the development and operation of the Codell and Niobrara Formation.

Docket No. 1108-UP-87, Wattenberg Field, Weld County, Applicant Noble Energy, Inc., Request for an order to pool all nonconsenting interests in the approximate 160-acre wellbore spacing unit designated for the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 4 and the E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 5, Township 3 North, Range 64 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations.

Docket No. 1108-UP-89, Wattenberg Field, Weld County, Applicant EnCana Oil & Gas (USA) Inc., Request for an order to pool all nonconsenting interests in the approximate 160-acre wellbore spacing unit designated for the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 24 and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 25, Township 5 North, Range 64 West, 6th P.M., for the development and operation of the Codell, Niobrara, "J" Sand Formations.

Docket No. 1108-UP-90, Wattenberg Field, Weld County, Applicant EnCana Oil & Gas (USA) Inc., Request for an order to pool all nonconsenting interests in the approximate 160-acre wellbore spacing unit designated for the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 25, Township 5 North, Range 64 West, 6th P.M., and the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 30,

RECORD OF PROCEEDINGS

Township 5 North, Range 63 West, 6th P.M., for the development and operation of the Codell, Niobrara, "J" Sand Formations.

Docket No. 1108-UP-92, Unnamed Field, Weld County, Applicant Carrizo Oil & Gas, Inc., Request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit which may be established for Section 1, Township 9 North, Range 59 West, 6th P.M., for the development and operation of the Niobrara Formations.

Docket No. 1108-UP-95, Unnamed Field, Weld County, Applicant Carrizo Oil & Gas Inc., Request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit which may be established for Section 11, Township 9 North, Range 60 West, 6th P.M., for the development and operation of the Niobrara Formations.

Docket No. 1108-UP-96, Wattenberg Field, Boulder County, Applicant EnCana Oil & Gas (USA) Inc., Request for an order to pool all nonconsenting interests in the approximate 160-acre wellbore spacing unit designated for the SE $\frac{1}{4}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 1 and the NE $\frac{1}{4}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 12, Township 1 North, Range 69 West, 6th P.M., for the development and operation of the Codell, Niobrara, and "J" Sand Formations.

Docket No. 1108-UP-97, Wattenberg Field, Weld County, Applicant EnCana Oil & Gas (USA) Inc., Request for an order to pool all nonconsenting interests in the approximate 160-acre wellbore spacing unit designated for the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 16 and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 21, Township 2 North, Range 68 West, 6th P.M., for the development and operation of the Codell, Niobrara, and "J" Sand Formations.

Docket No. 1108-UP-98, Wattenberg Field, Weld County, Applicant EnCana Oil & Gas (USA) Inc., Request for an order to pool all nonconsenting interests in the approximate 160-acre wellbore spacing unit designated for the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 15, the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 16, the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 21, and the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 22, Township 2 North, Range 68 West, 6th P.M., for the development and operation of the Codell, Niobrara, and "J" Sand Formations.

Docket No. 1108-UP-99, Wattenberg Field, Weld County, Applicant EnCana Oil & Gas (USA) Inc., Request for an order to pool all nonconsenting interests in the approximate 160-acre wellbore spacing unit designated for the NW $\frac{1}{4}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 15, and the NE $\frac{1}{4}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 16, Township 2 North, Range 68 West, 6th P.M., for the development and operation of the Codell, Niobrara, and "J" Sand Formations.

The motion was seconded by Commissioner Alward and approved unanimously.

HEARING MATTERS:

Administrative Orders by Consent

Cause No. 1V, Docket No. 1108-OV-17, Montezuma County - Smith Energy LP; Staff Recommendation for an Administrative Order by Consent (AOC) against Smith Energy LP for a violation of Rule 326. at the Cache Unit #21 Well, located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 34, Township 35 North, Range 20 West, N.M.P.M.

RECORD OF PROCEEDINGS

Enforcement Officer, Rob Willis, recited a factual summary of this enforcement matter against Smith Energy LP consistent with the Findings of the proposed AOC. The proposed fine settlement was \$10,000. There was no appearance on behalf of Smith Energy.

Commissioner Benton moved for the approval of the proposed AOC as presented. The motion was seconded by Commissioner Pearce and approved unanimously.

Cause No. 1V, Docket No. 1108-OV-21, Moffat County - A.G. Andrikopoulos Resources, Inc.; Staff Recommendation for an Administrative Order by Consent (AOC) against A.G. Andrikopoulos Resources, Inc. for various Rule violations at the James Et Al. #1 Well, located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 7, Township 4 North, Range 98 West, 6th P.M. and the Elk Springs Unit #14-32 Well, located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, Township 5 North, Range 98 West, 6th P.M.

Enforcement Officer, Rob Willis, recited a factual summary of this enforcement matter against A.G. Andrikopoulos Resources consistent with the Findings of the proposed AOC. The proposed fine settlement was \$10,000. There was no appearance on behalf of A.G. Andrikopoulos Resources.

Commissioner Pearce moved for the approval of the proposed AOC as presented. The motion was seconded by Commissioner Craig and approved unanimously.

Cause No. 1V, Docket No. 1108-OV-24, Rio Blanco County - West Hawk Energy (USA) LLC; Staff Recommendation for an order finding violation (OFV) against West Hawk Energy (USA) LLC for various Rule violations at certain wells (the Figure Four Ranch wells) located in Rio Blanco County.

Enforcement Officer, Rob Willis, recited a factual summary of this enforcement matter against West Hawk Energy consistent with the Findings of the proposed OFV. The proposed fine settlement was \$940,000. Mr. Willis reported that the attempt serve West Hawk was returned as undeliverable, but notice was published as required. There was no appearance on behalf of West Hawk Energy.

Mr. Willis reported that Puckett Land Company, the surface owner, has agreed to complete the plugging and abandonment of the subject wells at its cost, with assistance from Encana. While the Commission wanted to consider a possible pattern of violation charge under Rule 525.b. to the OFV, Mr. Willis indicated that such a charge had not been considered or noticed in this matter, but he would proceed to pursue it and return to the Commission with such a claim at a future hearing.

Commissioner Pearce moved for the approval of the proposed OFV as discussed. The motion was seconded by Commissioner Holden and approved unanimously.

Cause No. 1V, Docket No. 1108-OV-25, Baca County - S&S Oil & Gas Operating; Staff Recommendation for an order finding violation against S&S Oil & Gas Operating for various Rule violations at certain wells located in Baca County.

Enforcement Officer, Rob Willis, recited a factual summary of this enforcement matter against S&S Oil & Gas Operating consistent with Findings in the proposed Order Finding Violation (OFV). The proposed fine was \$380,000. This is another instance where the operator cannot be located. Commissioners contemplated a charge of a pattern of violation under Rule 525.b. against this operator, but Mr. Willis indicated that would require a separate proceeding in the future.

Commissioner Benton moved for the approval of the proposed OFV as discussed with modifications to the draft order as discussed. The motion was seconded by Commissioner Pearce and approved unanimously.

RECORD OF PROCEEDINGS

LUNCH BREAK /EXECUTIVE SESSION

Assistant Attorney General, Jake Matter, explained the basis for the Commission entering into executive session. The purpose of the executive session, pursuant to C.R.S. §24-6-402(3)(a)(II), was to discuss matters with the attorney representing the Commission, concerning matters that are subject to pending or imminent court action, concerning specific claims or grievances, or to receive legal advice on specific legal questions. The specific legal matters to be considered in this proposed session were as follows:

- *Grand Valley Citizens Alliance v. COGCC*
- *Chase/Sutak (Moqui Meadows) v. COGCC*
- *Hilton v. COGCC* (Docket No.1009-SP-27)
- *Citizens for Huerfano County v. COGCC*

A motion was made to enter into executive session by Commissioner Alward, seconded by Commissioner Holden and approved unanimously.

The Commission recessed for lunch and executive session at 12:00 p.m., reconvening at 1:30 p.m.

After lunch and at the conclusion of the executive session, a motion was made to return to open session from the executive session by Commissioner Alward, seconded by Commissioner Benton, and approved unanimously.

Assistant Attorney General, Jake Matter stated that during the executive session the Commissioners heard legal reports on the previously mentioned subject matters. He also disclosed the Commission briefly discussed the application of Amendment 41 (Ethics in Government) on the Commissioners, but did not consider any other topic, and took no formal actions.

Prior to returning to the agenda, Director Neslin reported that staff had received notice that the Commission had been given a regional and national recognition from the Council of State Governments for the development and implementation of its e-Form program. Director Neslin specifically recognized IT Manager Marc Fine, and IT developers Ken Robertson and Yishin Lin for their hard work and success in developing forms being mimicked across the country.

HEARING MATTERS (Cont.)

Docket No. 1108-GA-09, Sandlin Oil Corporation; Subject: Request for an order seeking a variance from the financial assurance requirements found in Rule 706.

Gary Sandlin, President, Sandlin Oil Corporation, explained his application requesting that he be permitted to provide an open ended perpetual \$30,000 letter of credit for purposes of satisfying the additional financial assurance requirement of Rule 706.b. beyond the \$30,000 bond already posted. Staff had no position on this matter.

Commissioner Pearce moved for the approval of the Sandlin request to provide an open ended perpetual \$30,000 letter of credit for purposes of satisfying the additional financial assurance requirement of Rule 706.b. beyond the \$30,000 bond already posted. The motion was seconded by Commissioner Benton and approved unanimously.

STAFF PRESENTATION

Water Quality Monitoring in the San Juan Basin – Karen Spray, Southwest Environmental
COGCC Minutes – August 8, 2011

RECORD OF PROCEEDINGS

Protection Specialist, and Ken Stelman-Senior Hydrogeologist/Project Manager, AMEC Geomatrix presented an update on findings on water quality monitoring program in the San Juan Basin Water Quality Analysis Project. After explaining the history of the study, and how it was conducted, the presentation discussed screening level water quality results with graphs and maps, depicting concentrations of selected anions, cations and other parameters through space and time. No discernable overriding pattern was revealed by the data. Some analyte concentrations were up, some down, some unchanged, but most changes were not significant at the 95% confidence level.

RULEMAKING AMENDMENTS TO RULE 318A

Thom Kerr provided a basic history of the development of Rule 318A through a PowerPoint presentation that had been posted on the internet. He explained the proposed amendments generally as follows:

1. Definition of "Horizontal Well" (100 Series Definitions). The proposed definition of a horizontal well in the 100 Series of definitions did not get fully noticed, so staff withdrew the definition from the proposal, with the expectation of initiating a new rulemaking with its own Notice of Hearing in which the definition of a horizontal well would be proposed.
2. Reduced Minimum Size Spacing Units (318A a. (4) (C)). This amendment allows wellbore spacing units to be smaller than 160 acres. The wellbore spacing unit commonly referred to as a "roving 160", has worked well, but there are occasions where it does not. These situations occur in unspaced areas, where the spacing unit may be central to two quarter-quarter sections but not to four. In these cases it makes sense to size the wellbore spacing unit at 80 acres and not 160 acres. This amendment would address this situation.
3. Flexible Horizontal Wellbore Spacing Sizes (318A a. (4) (D)). This amendment allows a horizontal wellbore spacing unit to include any quarter-quarter sections within 460 feet of the lateral wellbore in the producing formation. This will result in irregular unit boundaries along the edges of the included quarter-quarter sections along the length of the wellbore, but would allow for a more equitable sharing of oil and gas revenues by mineral interest owners, when compared to requiring the unit to be an entire section. Each horizontal well would have its own unique unit.
4. Increased Area Allowed for Infill Wells (318A e). This amendment removes the infill well area geographic restriction of 318A.e., and allows infill wells throughout the GWA. New completion techniques have made hydrocarbon resources throughout the GWA attractive targets, which were not considered economic six years ago. Additionally, removing this geographic constraint allows the drilling of horizontal wells between GWA windows, without requiring Commission approved exceptions. This amendment also makes the rules uniform over the entire GWA, providing for simpler administration and easier understanding by owners and operators.
5. Water Well Sampling (318A e. (4)). By eliminating the special area of 318A.e with amendment 4 above, the entire GWA area is covered by the water well sampling requirement. The intent with this amendment is to get a water well sample in every section within the GWA based on a requirement for the test with the next proposed well in the section, regardless of its drainage area.

RECORD OF PROCEEDINGS

6. Notice and Hearing Procedures (318A e. (6)). This amendment covers notice and hearing procedures for wells utilizing the wellbore spacing unit concept. Because this concept creates units across original traditional units established by early spacing orders, each well would have different mineral owners. This amendment establishes the process to inform mineral owners of the intent of an operator to create the new unit and drill a new well. The idea is to provide operators a simple method to create a wellbore spacing unit and only utilize the Commission adjudicatory process when the parties cannot agree on terms. The notification consists of a letter sent to the mineral owners in the proposed unit describing the operation and the affected lands. This notice requires the recipient to object to the proposal within 30 days or the assumption will be that there is no objection to the proposed operation. This provision establishes a procedure and requirements of an objection, before parties proceed with a formal hearing before the Commission. Finally, if the operator fails to file an Application for Permit to Drill, Form 2, within 90 days of the expiration of the 30-day notice period, the notice will be considered withdrawn. A notice provision is included in the current rule, but this amendment clarifies the process and provides an action deadline which does not currently exist.

7. Elimination of Outdated Effectiveness Review (318A e. (7)). This amendment eliminates an effectiveness review of the GWA infill provisions, from the previous Rule 318A amendment, that was required to be completed by March 1, 2008.

8. Elimination of Limitation of Eight Completions (318A f). This proposed amendment eliminates the restriction on the number of wellbore completions per quarter section, and thus the requirement that any increase in the number of completions beyond eight requires Commission approval. The current limitation of eight completions has driven a significant increase in the demand for Commission hearings in recent months. With the increasing demand for horizontal wells in the GWA, this trend will continue in the absence of this amendment. The limitation of eight wellbores commonly causes an operator to seek a well number exception because the current rule is not conducive to operator utilization of optimum infill well locations for recovery of the resource. Sometimes the drilling sequence of wells resulted in bypassed reserves, as the eight well limit would be reached before reaching each otherwise authorized infill location. The amendment provides greater flexibility for the operator to match the number and location of wells to that necessary to fully develop the resource. This amendment does not eliminate the surface use limitation imposed in the original GWA Rule. Utilization of GWA drilling windows and twinning existing wells are still required.

9. Waste Management Plans (318A h). This amendment requires an operator filing a Oil and Gas Location Assessment, Form 2A, to file a waste management plan in accordance with Rule 907.a. The waste management plan will require the operator to describe its basic exploration and production waste handling operations at the location including: 1) storage; 2) transportation method; 3) transportation frequency; 4) disposal sites; and 5) any planned re-use and recycling. It is not intended that the waste management plan be particularly detailed. It is intended to demonstrate the operator's conceptual plan for dealing with: 1) drill cuttings, produced water, and tank bottoms; 2) what the operator will do with the waste when it is generated; 3) how the operator will be transport the waste; and 4) how the waste will be disposed.

10. Limitations in Number of Horizontal Wells Per Unit. (318A k.) This amendment clarifies that any previously issued Commission order which limits the number of

RECORD OF PROCEEDINGS

horizontal wells within the unit remains in effect and is not modified by these amendments to Rule 318A. This is consistent with the settled expectations of those impacted by previous orders, and makes clear that these amendments are to be prospective and not retroactive.

11. Minimum Intrawell Distance. (318A m.) A 150 foot setback from existing or permitted wells was requested by industry representatives to provide what was considered a safe buffer between existing wellbores and new horizontal wells.

Mr. Kerr further indicated that staff was proposing: 1) delete any addition of a definition of a horizontal well; 2) adopt the version presented which incorporates comments received from stakeholders prior to the meeting and which was posted on the web page with a typographical correction to section 318A.a.(4) C to insert “of” before “the governmental quarter-quarter sections” in the last sentence; 3) to strike any portion of the City and County of Broomfield from the area covered by the amendment; and 4) to continue the rulemaking to September 2011 to consider the application of the rule amendment to Broomfield with regard to its application to Broomfield County.

Michael Wozniak, attorney for Noble Energy, Encana, PDC, and Anadarko-Kerr McGee explained his clients’ efforts in support of the proposed rule amendments, and the basis of their support. He further introduced PowerPoint presentations providing detail technical evidence on: 1) land by David Padgett, Director of Land and Senior Land Manager for Noble Energy; 2) geology by Thomas Birmingham, Project Geological Advisor for Anadarko Petroleum/Kerr McGee; 3) engineering by Tim Hower, Petroleum Engineer and John Arsenault, Senior Reservoir Engineer for MHA Petroleum Consultants; 4) water monitoring and waste management by Curtis Reader, Noble Energy. Copies of the PowerPoint presentations were posted on the Commission web page several days prior to the hearing.

Weld County Commission Chair, Barbara Kirkmeyer read into the record a letter adopted by the Weld County Board of County Commissioners enthusiastically supporting the approval of the proposed amendments.

At the conclusion of the testimony, Commissioners briefly discussed the merits of the proposed amendments and quickly concluded there was a strong consensus to approve the revised staff proposal.

Commissioner King moved for the approval of the revised staff proposed amendments as described above. The motion was seconded by Commissioner Benton and approved unanimously.

There was no further business before the Commission. The meeting was adjourned.

Adjourned 6:40 p.m.

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

Order No. 535-51, Docket No. 1106-SP-52, Unnamed Field, Weld County, Applicant: Continental Resources, Inc., Approves the request for an order to: (1) vacate the approximate 640-acre drilling and spacing unit established for Section 24, Township 8 North, Range 62 West, 6th P.M.; (2) establish four approximate 1,280-acre drilling and spacing units for certain lands located in Townships 7 and 8 North, Ranges 61 and 62 West, 6th P.M., and approve one horizontal well within each unit; and (3) establish nine approximate 640-acre drilling and spacing units for certain lands located in Townships 7 through 9 North, Ranges 60 through 62 West, 6th P.M., and approve

RECORD OF PROCEEDINGS

one horizontal well within each unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formations.

Order No. 535-65, Docket No. 1106-SP-67, Unnamed Field, Weld County, Applicant: Carrizo Oil & Gas, Inc., Approves the request for an order to establish two (2) approximate 640-acre drilling and spacing units for Sections 4 and 17, Township 7 North, Range 60 West, 6th P.M., and approve up to two horizontal wells within each unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 535-66, Docket No. 1106-UP-53, Checkerboard Field, Weld County, Applicant: Chesapeake Exploration, LLC, Approves the request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit established for Section 32, Township 10 North, Range 66 West, 6th P.M., to accommodate the Sidwell #32-10-66 1H Well, for the development and operation of the Niobrara Formation.

Order No. 535-57, Docket No. 1106-UP-63, Unnamed Field, Weld County, Applicant: Chesapeake Exploration, LLC, Approves the request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit established for Section 9, Township 10 North, Range 67 West, 6th P.M., for the development and operation of the Niobrara Formation.

Order No. 535-67, Docket No. 1106-UP-64, Unnamed Field, Weld County, Applicant: Chesapeake Exploration, LLC, Approves the request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit established for Section 4, Township 6 North, Range 62 West, 6th P.M. (wherein the Applicant has plans to drill and complete the Hoff #6-62 4-1H Well), for the development and operation of the Niobrara Formation.

Order No. 535-52, Docket No. 1106-UP-65, Unnamed Field, Weld County, Applicant: Chesapeake Exploration, LLC, Approves the request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit for Section 34, Township 7 North, Range 62 West, 6th P.M., for the development and operation of the Niobrara Formation.

Order No. 112-229, Docket No. 1108-EX-11, Ignacio-Blanco Field, La Plata County, Applicant: Samson Resources Company, Approves the request for an order to grant a well location exception for the Colorado 32-7-3 #16 Well (the "Well"), a directional well, with an intended bottomhole location of 660 feet FSL and 660 feet FEL in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 3, Township 32 North, Range 7 West, N.M.P.M. and actual bottomhole location of the Well is 681.6 feet FSL and 583.2 feet FEL, for the production of gas and associated hydrocarbons from the Fruitland coal seam.

Order No. 1-169, Docket No. 1108-GA-09, Statewide, Applicant: Sandlin Oil Corp., Approves a request for an order seeking a variance from the financial assurance requirements found in Rule 706.

Order No. 1R-113, Docket No. 1108-RM-02, Statewide, Staff Recommendation, Approves the request for rulemaking to amend Rule 318A. to permit greater flexibility in the creation of wellbore spacing units for the purposes of drilling horizontal and infill wells in the Greater Wattenberg Area ("GWA"), but excluding any portion of the City and County of Broomfield from the application of the amendments.

Order No. 535-53, Docket No. 1108-SP-78, Unnamed Field, Weld County, Applicant: Chesapeake Exploration, LLC, Approves the request for an order to establish an approximate 640-acre drilling and spacing unit for Section 28, Township 11 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

RECORD OF PROCEEDINGS

Order No. 535-54, Docket No. 1108-SP-79, Unnamed Field, Elbert/Douglas, Applicant: Chesapeake Exploration, LLC, Approves to request for an order to establish twenty four (24) approximate 640-acre drilling and spacing units for certain lands located Townships 6 and 7 South, Ranges 63 through 65 West, 6th P.M., and approve one horizontal well within each unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 535-55, Docket No. 1108-SP-80, Unnamed Field, Douglas County, Applicant: Chesapeake Exploration, LLC, Approves the request for an order to establish an approximate 640-acre drilling and spacing unit for Section 8, Township 6 South, Range 66 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 535-56, Docket No. 1108-SP-81, Unnamed Field, Weld County, Applicant: Chesapeake Exploration, LLC, Approves the request for an order to establish an approximate 640-acre drilling and spacing unit for Section 32, Township 11 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-451, Docket No. 1108-SP-82, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 320-acre wellbore spacing unit for the S $\frac{1}{2}$ of Section 6, Township 2 North, Range 67 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-452, Docket No. 1108-SP-83, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 320-acre wellbore spacing unit for the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 6, Township 4 North, Range 64 West, 6th P.M. and the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 31, Township 5 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-453, Docket No. 1108-SP-84, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 400-acre wellbore spacing unit for the S $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 18 and the N $\frac{1}{2}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 19, Township 3 North, Range 64 West, 6th P.M., and the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 13 and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 24, Township 3 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-454, Docket No. 1108-SP-85, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 320-acre wellbore spacing unit for the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 35 and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 36, Township 4 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-455, Docket No. 1108-SP-86, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 400-acre wellbore spacing unit for the SE $\frac{1}{4}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 7 and the E $\frac{1}{2}$ W $\frac{1}{2}$ and W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 18, Township 3 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

RECORD OF PROCEEDINGS

Order No. 407-456, Docket No. 1108-SP-87, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 480-acre wellbore spacing unit for the S $\frac{1}{2}$ N $\frac{1}{2}$ and N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 1 and the S $\frac{1}{2}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 2, Township 4 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-457, Docket No. 1108-SP-88, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 400-acre wellbore spacing unit for the N $\frac{1}{2}$ S $\frac{1}{2}$ and S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 28 and the NE $\frac{1}{4}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, Township 5 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-458, Docket No. 1108-SP-89, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 320-acre wellbore spacing unit for the S $\frac{1}{2}$ of Section 36, Township 5 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-459, Docket No. 1108-SP-90, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 400-acre wellbore spacing unit for the E $\frac{1}{2}$ NE $\frac{1}{4}$ and E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 11, the W $\frac{1}{2}$ NW $\frac{1}{4}$ and W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 12, the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 13, and the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 14, Township 4 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-460, Docket No. 1108-SP-91, Wattenberg Field, Boulder County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 320-acre wellbore spacing unit for the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 1 and the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 12, Township 1 South, Range 69 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-461, Docket No. 1108-SP-92, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 320-acre wellbore spacing unit for the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 3 and the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 10, Township 4 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-462, Docket No. 1108-SP-93, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 320-acre wellbore spacing unit for the W $\frac{1}{2}$ of Section 24, Township 6 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-463, Docket No. 1108-SP-94, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 296.84-acre wellbore spacing unit for the W $\frac{1}{2}$ of Section 31, Township 3 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-464, Docket No. 1108-SP-95, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 400-acre wellbore spacing unit for the E $\frac{1}{2}$ W $\frac{1}{2}$ and W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 19 and the NE $\frac{1}{4}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ NE $\frac{1}{4}$ of

RECORD OF PROCEEDINGS

Section 30, Township 3 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 315-13, Docket No. 1108-SP-96, Vernon Field, Yuma County, Applicant: Noble Energy, Inc., Approves the request for an order to establish four approximate 40-acre drilling and spacing units for certain lands located in the SW $\frac{1}{4}$ of Section 35, Township 1 South, Range 45 West, 6th P.M., wherein the Cantrall Trust wells are planned, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 535-57, Docket No. 1108-SP-97, Unnamed Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish forty-four (44) approximate 640-acre drilling and spacing units for certain lands located in Townships 7 through 9 North, Ranges 59 and 61 West, 6th P.M., and approve of two (2) horizontal wells within each unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 535-58, Docket No. 1108-SP-99, Unnamed Field, Weld County, Applicant: Carrizo Oil & Gas, Inc., Approves the request for an order to establish five (5) approximate 640-acre drilling and spacing units for Section 25, Township 8 North, Range 60 West, 6th P.M., Section 34, Township 9 North, Range 58 West, 6th P.M., Section 1, Township 9 North, Range 59 West, 6th P.M., and Sections 11 and 20, Township 9 North, Range 60 West, 6th P.M., and approve up to two horizontal wells within each unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-465, Docket No. 1108-SP-100, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 400-acre wellbore spacing unit for the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 6, Township 4 North, Range 64 West, 6th P.M., the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 1, Township 4 North, Range 65 West, 6th P.M., the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 31, Township 5 North, Range 64 West, 6th P.M., and the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 36, Township 5 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 166-29, Docket No. 1108-SP-101, Plateau Field, Mesa County, Applicant: Laramie Energy II, LLC, Approves the request for an order to: (1) establish a 32- acre drilling and spacing unit for the N $\frac{1}{2}$ of Section 25, Township 9 South, Range 95 West, 6th P.M. (the "Application Lands"), and approve the equivalent of one well per 10 acres well density within the unit, for the production of oil and gas, and associated hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group, and the Mancos, Niobrara, Frontier, and Mowry Formations (the "Deep Formations"); and (2) pool all nonconsenting interests in the proposed 320-acre drilling and spacing unit for the Application Lands, for the development and operation of the Williams Fork and Iles Formations of the Mesaverde Group and the Deep Formations.

Order No. 199-5, Docket No. 1108-SP-102, Craig Field, Moffat County, Applicant: Gulfport Energy Corp., Approves the request for an order to: (1) establish two approximate 640-acre drilling and spacing units for certain lands located in Sections 9, 10, and 11, Township 6 North, Range 91 West, 6th P.M. (the "Application Lands"), and approve up to two vertical, highly deviated or horizontal wells within each unit; and (2) pool all nonconsenting interests for the proposed drilling and spacing units for the Application Lands, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-466, Docket No. 1108-SP-103, Wattenberg Field, Weld County, Applicant: Chesapeake Exploration, LLC, Approves the request for an order to establish an approximate 640-acre drilling and spacing unit for Section 28, Township 4 North, Range 63 West, 6th P.M., and

RECORD OF PROCEEDINGS

approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-467, Docket No. 1108-SP-104, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to establish an approximate 320-acre wellbore spacing unit for the S $\frac{1}{2}$ N $\frac{1}{2}$ and N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 14, Township 6 North, Range 65 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-468, Docket No. 1108-SP-105, Wattenberg Field, Weld County, Applicant: Chesapeake Exploration, LLC, Approves the request for an order to establish an approximate 640-acre drilling and spacing unit for Section 8, Township 1 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 535-59, Docket No. 1108-SP-106, Unnamed Field, Weld County, Applicant: Whiting Oil & Gas Corp., Approves the request for an order to establish an approximate 960-acre drilling and spacing unit for the S $\frac{1}{2}$ of Section 25 and Section 36, Township 10 North, Range 64 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 535-60, Docket No. 1108-SP-107, Unnamed Field, Weld County, Applicant: Whiting Oil & Gas Corp., Approves the request for an order to establish three (3) approximate 960-acre drilling and spacing units for certain lands located in Townships 10 and 11 North, Ranges 57 and 59 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil and gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 371-14, Docket No. 1108-SP-108, Buzzard Field, Mesa County, Applicant: Laramie Energy II, LLC, Approves the request for an order to: (1) establish a 160-acre drilling and spacing unit for the SW $\frac{1}{4}$ of Section 19, Township 9 South, Range 94 West, 6th P.M. (the "Application Lands"), and approve the equivalent of one well per 10 acres well density within the unit; and (2) approve the equivalent of one well per 10 acres well density for the proposed 160-acre drilling and spacing unit for the Application Lands, for the production of gas and associated hydrocarbons from the Williams Fork, Iles, Mancos, Niobrara, Frontier and Mowry Formations.

Order No. 535-61, Docket No. 1108-UP-79, Unnamed Field, Weld County, Applicant: Chesapeake Exploration, LLC, Approves the request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit established for Section 24, Township 9 North, Range 67 West, 6th P.M., for the development and operation of the Niobrara Formation.

Order No. 535-62, Docket No. 1108-UP-81, Unnamed Field, Weld County, Applicant: Chesapeake Exploration, LLC, Approves the request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit established for Section 24, Township 8 North, Range 67 West, 6th P.M., for the development and operation of the Niobrara Formation.

Order No. 407-469, Docket No. 1108-UP-82, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to pool all nonconsenting interests in a designated 160-acre wellbore spacing unit for the NE $\frac{1}{4}$ of Section 18, Township 5 North, Range 64 West, 6th P.M., for the development and operation of the Codell and Niobrara Formation.

Order No. 407-476, Docket No. 1108-UP-87, Wattenberg Field, Weld County, Applicant: Noble Energy, Inc., Approves the request for an order to pool all nonconsenting interests in the approximate 160-acre wellbore spacing unit designated for the W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 4 and the E $\frac{1}{2}$

RECORD OF PROCEEDINGS

SE $\frac{1}{4}$ of Section 5, Township 3 North, Range 64 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations.

Order Nos. 232-286 and 407-470, Docket No. 1108-UP-89, Wattenberg Field, Weld County, Applicant: EnCana Oil & Gas (USA) Inc., Approves the request for an order to pool all nonconsenting interests in the approximate 160-acre wellbore spacing unit designated for the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 24 and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 25, Township 5 North, Range 64 West, 6th P.M., for the development and operation of the Codell, Niobrara, "J" Sand Formations.

Order Nos. 232-287 and 407-471, Docket No. 1108-UP-90, Wattenberg Field, Weld County, Applicant: EnCana Oil & Gas (USA) Inc., Approves the request for an order to pool all nonconsenting interests in the approximate 160-acre wellbore spacing unit designated for the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 25, Township 5 North, Range 64 West, 6th P.M., and the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 30, Township 5 North, Range 63 West, 6th P.M., for the development and operation of the Codell, Niobrara, "J" Sand Formations.

Order No. 535-63, Docket No. 1108-UP-92, Unnamed Field, Weld County, Applicant: Carrizo Oil & Gas, Inc., Approves the request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit which may be established for Section 1, Township 9 North, Range 59 West, 6th P.M., for the development and operation of the Niobrara Formations.

Order No. 535-64, Docket No. 1108-UP-95, Unnamed Field, Weld County, Applicant: Carrizo Oil & Gas, Inc., Approves the request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit which may be established for Section 11, Township 9 North, Range 60 West, 6th P.M., for the development and operation of the Niobrara Formations.

Order Nos. 232-288 and 407-472, Docket No. 1108-UP-96, Wattenberg Field, Boulder County, Applicant: EnCana Oil & Gas (USA) Inc., Approves the request for an order to pool all nonconsenting interests in the approximate 160-acre wellbore spacing unit designated for the SE $\frac{1}{4}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 1 and the NE $\frac{1}{4}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 12, Township 1 North, Range 69 West, 6th P.M., for the development and operation of the Codell, Niobrara, and "J" Sand Formations.

Order Nos. 232-289 and 407-473, Docket No. 1108-UP-97, Wattenberg Field, Weld County, Applicant: EnCana Oil & Gas (USA) Inc., Approves the request for an order to pool all nonconsenting interests in the approximate 160-acre wellbore spacing unit designated for the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 16 and the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 21, Township 2 North, Range 68 West, 6th P.M., for the development and operation of the Codell, Niobrara, and "J" Sand Formations.

Order Nos. 232-290 and 407-474, Docket No. 1108-UP-98, Wattenberg Field, Weld County, Applicant: EnCana Oil & Gas (USA) Inc., Approves the request for an order to pool all nonconsenting interests in the approximate 160-acre wellbore spacing unit designated for the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 15, the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 16, the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 21, and the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 22, Township 2 North, Range 68 West, 6th P.M., for the development and operation of the Codell, Niobrara, and "J" Sand Formations.

Order Nos. 232-291 and 407-475, Docket No. 1108-UP-99, Wattenberg Field, Weld County, Applicant: EnCana Oil & Gas (USA) Inc., Approves the request for an order to pool all nonconsenting interests in the approximate 160-acre wellbore spacing unit designated for the NW $\frac{1}{4}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 15, and the NE $\frac{1}{4}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 16, Township 2 North, Range 68 West, 6th P.M., for the development and operation of the Codell, Niobrara, and "J" Sand Formations.

RECORD OF PROCEEDINGS

Order No. 1V-376, Docket No. 1108-OV-17, Montezuma County - Smith Energy LP; Approves an Administrative Order by Consent (AOC) against Smith Energy LP for a violation of Rule 326. at the Cache Unit #21 Well, located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 34, Township 35 North, Range 20 West, N.M.P.M.

Order No. 1V-377, Docket No. 1108-OV-21, Moffat County - A.G. Andrikopoulos Resources, Inc.; Approves an Administrative Order by Consent (AOC) against A.G. Andrikopoulos Resources, Inc. for various Rule violations at the James Et Al. #1 Well, located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 7, Township 4 North, Range 98 West, 6th P.M. and the Elk Springs Unit #14-32 Well, located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, Township 5 North, Range 98 West, 6th P.M.

Order No. 1V-378, Docket No. 1108-OV-24, Rio Blanco County - West Hawk Energy (USA) LLC; Approves an order finding violation (OFV) against West Hawk Energy (USA) LLC for various Rule violations at certain wells (the Figure Four Ranch wells) located in Rio Blanco County.

Order No. 1V-379, Docket No. 1108-OV-25, Baca County - S&S Oil & Gas Operating; Approves an order finding violation against S&S Oil & Gas Operating for various Rule violations at certain wells located in Baca County.

FOR THE COLORADO OIL AND GAS
CONSERVATION COMMISSION

Rob Willis, Acting Secretary

Approved:

Tom Compton, Vice Chair