

RECORD OF PROCEEDINGS

September 19, 2011

The Oil and Gas Conservation Commission (“COGCC”) met on September 19, 2011, at the Broomfield City and County Building Council Chambers, One DesCombes Drive, Broomfield, Colorado.

Roll Call of Commissioners:

Present:

Tom Compton	Vice Chairman
Richard D. Alward	Commissioner
John Benton	Commissioner
Deann Craig	Commissioner
Tommy Holton	Commissioner
Mike King	Commissioner
Perry Pearce	Commissioner
Andrew Spielman	Commissioner
David Neslin	Director
Peter Gowen	Acting Hearings Manager

Absent:

Christopher Urbina	Commissioner
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Vice Chair Compton asked all Commissioners to briefly introduce themselves for the benefit of the audience.

Approval of Proceedings:

Commissioner Pearce moved for the approval of the minutes of the August 8, 2011 meeting. The motion was seconded by Commissioner Alward and approved unanimously.

DNR Executive Director’s Report:

Executive Director King reported on the following:

- 1) At its September, 2011 meeting, the Colorado Water Conservation Board approved a reconnaissance level study of a project to divert water from Flaming Gorge Reservoir to the Front Range. In so doing, it was not endorsing the proposed project, merely authorizing a preliminary study.
- 2) Work on the Roadless Rule is expected to be completed by the end of the year.
- 3) The State Land Board continues to develop a land use management plan for the Lowry Range, which will among other things, consider oil and gas leasing and development potential.

Director’s Report:

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

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- 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 December 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. There will be a staff presentation on this topic later in the meeting.
- Gas and Oil Regulatory Team (GORT) Meeting. The next GORT/Southwest Colorado Oil and Gas Stakeholders 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 July 1, 2011, through July 30, 2011, the turbine was operational 67% of the time. Gas continues to be collected and vented at the Pine River Ranches (PRR) location. Methane concentrations currently average 75% at SFTC and 1% at PRR. The annual Operations & Maintenance summary report is available on our website.
- 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. As of this analysis, 2,128 domestic water wells have been sampled in the San Juan Basin for a total of over 7,000 discrete water quality samples.
- 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. Subsequent field investigations were conducted on August 2, 2011, and August 22, 2011, to collect deeper soil samples using a direct push drilling rig and to collect samples for background arsenic determination. 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.

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- 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 will be heard later in this meeting.
- Variances.
 - Noble Energy, Inc. received a variance to the surface casing requirements of Rule 317.h for the Battlement Mesa 34-43CX well (API No. 045-19865) in Garfield County.
 - Petroglyph Energy Inc. received a number of variances from certain requirements of Rule 1004 (Final Reclamation) related to operations in Huerfano County.
 - St. James Operating, Inc. received a variance to Rule 305c (Form 2A comment period) for lands in Weld County under Rule 303.I.(2) due to exigent circumstances, citing significant economic hardship to the drilling contractor should the listed wells not commence drilling by August 14, 2011.
 - Synergy Resources Corporation received a variance to Rule 305.c. (Form 2A comment period) for lands in Weld County under Rule 303.I.(2) due to exigent circumstances, citing significant economic hardship to the drilling contractor should the listed wells not commence drilling by Monday, September 5, 2011.

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:

- Commission staff continues to meet with numerous community groups and local governments. So far this year, staff has participated in over 20 such meetings.
- The STRONGER report is expected within 30 days.
- In response to a Denver Post article on drilling spills, Director Neslin offered perspective not found in the article. Current rules require all spills of E&P waste be contained, investigated and remediated without regard to whether a notice of alleged violation is issued. The amount of spilled fluid reported is 1/5000th of the total fluids handled by industry. Commission rules provide reasonable protection of the environment, and for appropriate remediation when spills occur.

Engineering Manager, Stuart Ellsworth presented an interim report on a hydrogen sulfide investigation involving Noble Energy facilities in the Piceance Basin near Parachute.

Commissioner Comments:

None.

Audience Comments:

None.

Commission Officer Elections:

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Vice Chair Compton asked Assistant Attorney General, Jake Matter to lead the process of electing officers. Commissioner Craig nominated Tom Compton to serve as Chairman. The motion was seconded by Commissioner Spielman, and approved unanimously. Commissioner Benton nominated Perry Pearce to serve as Vice Chairman. The motion was seconded by Commissioner Craig and approve unanimously.

Consent Agenda

With 38 matters listed for the Consent Agenda, Chairman Compton suggested that the Commission consider the matters in five groups, as organized by staff.

Group A

Chairman Compton asked if any Commissioners had a conflict of interest or recusals with any of the items within Group A of the Consent Agenda. Commissioner Pearce disclosed he had a potential conflict of interest with Docket No. 1108-SP-97 and asked that it be considered separately. Commissioner Craig asked for separate consideration of Docket No. 1109-SP-112. Commissioner Alward moved for approval of the remainder of Group A applications as follows:

Docket No. 1106-SP-62, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to establish an approximate 320-acre wellbore spacing unit for certain lands located in Section 28, Township 1 North, Range 66 West, 6th P.M., and approve one horizontal well within the unit (to accommodate the planned Marrs #28C-28HZ Well), for the production of gas and associated hydrocarbons from the Codell Formation.

Docket No. 1106-SP-63, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to establish an approximate 320-acre wellbore spacing unit for certain lands located in Section 28, Township 1 North, Range 66 West, 6th P.M., and approve one horizontal well within the unit (to accommodate the planned Marrs 3N-28HZ Well), for the production of gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1106-SP-64, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to establish an approximate 160-acre wellbore spacing unit for certain lands located in Section 28, Township 1 North, Range 66 West, 6th P.M., and approve one horizontal well within the unit (to accommodate the planned Marrs 2N-28HZ Well), for the production of gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1109-AW-06, Wattenberg Field, Weld County. Applicant, EOG Resources, Inc. Request for an order authorizing one additional horizontal well, for a total of up to two horizontal wells, for the approximate 640-acre drilling and spacing units established for Sections 22 and 23, Township 5 North, Range 62 West, 6th P.M.

Docket No. 1109-SP-120, Wattenberg/Unnamed Field, Weld County. Applicant, EOG Resources, Inc. Request for an order to establish two approximate 640-acre drilling and spacing units for Section 20, Township 4 North, Range 62 West, 6th P.M. and Section 26, Township 11 North, Range 64 West, 6th P.M., and approving one horizontal well within each unit.

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Docket No. 1109-SP-112, Unnamed Field, Larimer County. Applicant, Marathon Oil Company. Request for an order to establish two (2) approximate 640-acre drilling and spacing units for Sections 15, and 21, Township 10 North, Range 68 West, 6th P.M., and approve one horizontal well within each unit.

Docket No. 1109-SP-114, Unnamed Field, Weld County. Applicant, Marathon Oil Company. Request for an order to establish four (4) approximate 640-acre drilling and spacing units for Sections 21, 28, 31, and 33, Township 9 North, Range 57 West, 6th P.M., and approve one horizontal well within each unit.

Docket No. 1109-SP-115, Unnamed Field, Weld County. Applicant, Marathon Oil Company. Request for an order to establish two (2) approximate 640-acre drilling and spacing units for Sections 20 and 32, Township 8 North, Range 64 West, 6th P.M., and approve one horizontal well within each unit.

The motion was seconded by Commissioner Pearce and approved unanimously.

Commissioner Benton moved for the approval of Docket No. 1108-SP-97 as follows:

Docket No. 1108-SP-97, Unnamed Field, Weld County. Applicant, Noble Energy, Inc. Request for an order to establish forty (40) 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 two (2) horizontal wells within each unit, for the production of gas and associated hydrocarbons from the Niobrara Formation.

The motion was seconded by Commissioner Alward and approved unanimously, except for the abstention by Commissioner Pearce.

Commissioner Craig asked for clarification of the application in Docket No. 1109-SP-116. Matt Lepore, attorney for Noble explained the application and the layout of horizontal wells in relationship to the vertical wells. One of the nine wells that had initially been included in the application had been withdrawn. The explanation satisfied Commissioner Craig, who moved for approval of the matter as follows:

Docket No. 1109-SP-116, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order to: (1) establish an approximate 640-acre drilling and spacing unit for Section 25, Township 6 North, Range 63 West, 6th P.M., and approve eight horizontal wells within the unit; (2) approve a variance from Rule 318A.f. to authorize a total of up to nine producing completions for the NW¼ and NE¼ of said Section 25; and 3) approve setbacks for wells drilled under the Application to require the treated interval of the wellbore should be no closer than 460 feet from the boundaries of the unit, for the production of oil, gas, and related hydrocarbons of the Niobrara Formation.

The motion was seconded by Commissioner Benton and approved unanimously.

Group B

Acting Hearings Manager, Peter Gowen, reported that Docket No. 1109-UP-117 (Axia Energy) had been withdrawn on September 16, 2011, but all other Group B applications were recommended for approval.

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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 Pearce moved for the approval of all remaining Group B applications of the Consent Agenda, as recommended by staff including the following:

Docket No. 1108-SP-76, Unnamed Field, Larimer County. Applicant, Chesapeake Exploration, LLC. Request for an order to establish an approximate 640-acre drilling and spacing unit for Section 22, Township 10 North, Range 68 West, 6th P.M., and approve one horizontal well within the unit, for the production of gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1109-SP-110, 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 10 North, Range 67 West, 6th P.M., and approve one horizontal well within the unit.

Docket No. 1108-SP-98, Buzzard Creek/Vega Field, Mesa County. Applicant, Delta Petroleum Corporation. Request for an order to establish five exploratory drilling and spacing units for certain lands located in Sections 20 through 29, Township 9 South, Range 93 West, 6th P.M., and approve the equivalent of one well per 10 acres well density for the units.

Docket No. 1108-SP-99, Unnamed Field, Weld County. Applicant, Carrizo Oil & Gas, Inc. Request for an order to establish two (2) approximate 640-acre drilling and spacing units for Section 25, Township 8 North, Range 60 West, 6th P.M. and Section 34, Township 9 North, Range 58 West, 6th P.M., and approve up to two horizontal wells within each unit, for the production of gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1109-SP-117, Unnamed Field, Weld County. Applicant, Whiting Oil & Gas Corp. Request for an order to establish four (4) approximate 640-acre drilling and spacing units for Sections 2, 4, 5, and 6, Township 9 North, Range 59 West, 6th P.M., and approve up to four (4) horizontal wells within each unit.

Docket No. 1109-SP-118, Unnamed Field, Weld County. Applicant, Whiting Oil & Gas Corp. Request for an order to establish five (5) approximate 960-acre drilling and spacing units for certain lands located in Township 10 North, Range 59 West, 6th P.M., and approve up to four (4) horizontal wells within each unit.

Docket No. 1109-SP-119, Wingspan Field, Yuma County. Applicant, McElvain Oil & Gas Properties, Inc. Request for an order to establish a 40.28-acre drilling and spacing unit for the NW¼ NW¼ of Section 1, Township 3 South, Range 46 West, 6th P.M., wherein the Robin #1-4 Well is planned.

The motion was seconded by Commissioner Craig and approved unanimously.

Group C

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Acting Hearings Manager, Peter Gowen, reported that Docket No. 1109-UP-121 (McElvain O & G) had been withdrawn on September 16, 2011, but all other Group C applications were recommended for approval.

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

Commissioner Spielman moved for the approval of all remaining applications of Group C of the Consent Agenda, including the following:

Docket No. 1108-UP-88, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to pool all nonconsenting interests in the three proposed wellbore spacing units ("WBSU") established for: (1) the 320-acre WBSU for the $W\frac{1}{2}$ $E\frac{1}{2}$ and $E\frac{1}{2}$ $W\frac{1}{2}$ of Section 28, Township 1 North, Range 66 West, 6th P.M. (to accommodate the planned Marrs #28C-28HZ Well); (2) the 320-acre WBSU for the $E\frac{1}{2}$ $W\frac{1}{2}$ and $W\frac{1}{2}$ $E\frac{1}{2}$ of said Section 28 (to accommodate the planned Marrs #3N-28HZ Well); and the 160-acre WBSU for the $W\frac{1}{2}$ $E\frac{1}{2}$ of said Section 28 (to accommodate the planned Marrs #2N-28HZ Well); and (3) the 160-acre WBSU for the $W\frac{1}{2}$ $E\frac{1}{2}$, Section 28, Township 1 North, Range 66 West, 6th P.M. (to accommodate the planned Marrs #2N-28HZ Well).

Docket No. 1109-UP-110, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to pool all nonconsenting interests in a designated approximate 160-acre wellbore spacing unit for the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 2 and the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of Section 3, Township 2 North, Range 65 West, 6th P.M., and the $SE\frac{1}{4}$ $SE\frac{1}{4}$ of Section 34 and the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 35, Township 3 North, Range 65 West, 6th P.M. (to accommodate the Cannon #26-3 Well).

Docket No. 1109-UP-111, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to pool all nonconsenting interests in an approximate 160-acre wellbore spacing unit designated for the $E\frac{1}{2}$ $SW\frac{1}{4}$ and $W\frac{1}{2}$ $SE\frac{1}{4}$ of Section 32, Township 2 North, Range 66 West, 6th P.M. (to accommodate the Carter #23-32 Well).

Docket No. 1109-UP-112, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to pool all nonconsenting interests in an approximate 160-acre wellbore spacing unit designated for the $SW\frac{1}{4}$ $NW\frac{1}{4}$ and $NW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 9 and the $SE\frac{1}{4}$ $NE\frac{1}{4}$ and $NE\frac{1}{4}$ $SE\frac{1}{4}$ of Section 10, Township 4 North, Range 66 West, 6th P.M. (to accommodate the Five #32-10 Well).

Docket No. 1109-UP-114, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to pool all nonconsenting interests in a designated approximate 160-acre wellbore spacing unit for the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 1, the $SE\frac{1}{4}$ $SE\frac{1}{4}$ of Section 2, the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of Section 11, and the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 12, Township 2 North, Range 65 West, 6th P.M. (to accommodate the Pioneer #26-11 Well).

Docket No. 1109-UP-118, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to: (1) pool all nonconsenting interests in an approximate 160-acre wellbore spacing unit designated for the $E\frac{1}{2}$ $SW\frac{1}{4}$ and $W\frac{1}{2}$ $SE\frac{1}{4}$ of Section 30, Township 2 North, Range 68 West, 6th P.M. (to

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accommodate the Bryant #23-30 Well (the "Well")), for the development and operation of the Codell and Niobrara Formations; and (2) pool all nonconsenting interests in an approximate 320-acre wellbore spacing unit designated for the S½ of said Section 30 (to accommodate the Well), for the development and operation of the "J" Sand Formation.

Docket No. 1109-UP-119, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to pool all nonconsenting interests in an approximate 320-acre wellbore spacing unit designated for the S½ of Section 30, Township 2 North, Range 68 West, 6th P.M. (to accommodate the Bryant #20-30 Well).

Docket No. 1109-UP-120, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to pool all nonconsenting interests in an approximate 320-acre wellbore spacing unit designated for the S½ of Section 30, Township 2 North, Range 68 West, 6th P.M. (to accommodate the Bryant #16-30 Well).

The motion was seconded by Commissioner Pearce and approved unanimously.

Group D

Acting Hearings Manager, Peter Gowen, reported that Docket No. 1109-UP-108 (Chesapeake) had been continued on September 16, 2011 by request of the applicant, but all other Group D applications were recommended for approval.

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

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

Docket No. 1109-UP-100, 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 established for Section 10, Township 9 North, Range 60 West, 6th P.M.

Docket No. 1109-UP-101, 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 established for Section 3, Township 7 North, Range 60 West, 6th P.M.

Docket No. 1109-UP-102, 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 established for Section 8, Township 7 North, Range 60 West, 6th P.M.

Docket No. 1109-UP-103, Unnamed Field, Weld County. Applicant, Carrizo Oil & Gas, Inc. Request for an order to pool all nonconsenting interests in the approximate

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640-acre drilling and spacing unit established for Section 19, Township 7 North, Range 60 West, 6th P.M.

Docket No. 1109-UP-104, 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 established for Section 17, Township 9 North, Range 59 West, 6th P.M.

Docket No. 1109-UP-105, 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 22, Township 9 North, Range 67 West, 6th P.M., to accommodate the planned Ferry #22-9-67 1H Well.

Docket No. 1109-UP-107, 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 36, Township 10 North, Range 66 West, 6th P.M., to accommodate the planned State #36-10-66 1H Well.

Docket No. 1109-UP-109, 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 26, Township 9 North, Range 67 West, 6th P.M., to accommodate the planned Varra #26-9-67 1H Well.

The motion was seconded by Commissioner Alward and approved unanimously.

Group E

Acting Hearings Manager, Peter Gowen, reported that Docket No. 1109-SP-101 (Laramie Energy) had been protested but the parties had reported that they were close to resolving their differences at the time the Commission hearing packages were assembled. He reported that the Protestant had authorized the matter to be presented as a Consent Agenda item, with the understanding that if the resolution failed, the protestant could appear in person and request a full hearing. Mr. Gowen indicated that the matter was properly set for Commission consideration under Rule 511.

Commissioner Pearce moved for the approval of Docket No. 1109-SP-101 as follows:

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 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.

The motion was seconded by Commissioner Holton and approved unanimously.

HEARING MATTERS:

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Administrative Orders by Consent

Cause No. 1V, Docket No. 1108-OV-18, Kiowa/Cheyenne Counties. Request for approval of an Administrative Order by Consent (AOC) against Citation Oil & Gas Corp. for various Rule violations at certain wells located in Kiowa and Cheyenne counties.

Acting Hearings Manager, Peter Gowen, summarized the relevant findings of the proposed Administrative Orders by Consent (AOC), and asked that the findings of fact from the draft AOC be adopted by the Commission and incorporated into the record. The proposed fine settlement was \$40,000. There was no appearance on behalf of Citation Oil & Gas Corp.

Commissioner Holton 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-19, Kiowa County. Request for approval of an Administrative Order by Consent (AOC) against Chemco, Inc. for various Rule violations at the E.J. Muir Unit #1 Well, located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35, Township 18 South, Range 45 West, 6th P.M., and the T-Wear #1 Well, located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 13, Township 18 South, Range 45 West, 6th P.M.

Acting Hearings Manager, Peter Gowen, summarized the relevant findings of the proposed Administrative Order by Consent (AOC), and asked that the findings of fact from the draft AOC be adopted by the Commission and incorporated into the record. The proposed fine settlement was \$1,000. There was no appearance on behalf of Chemco, Inc...

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. 1109-OV-26, Garfield County. Request for: (1) an order finding violation against Dolphin Energy Corp. for various Rule violations at the certain wells located in Garfield County, and (2) an order finding a pattern of violation against Dolphin Energy Corp., and its principal, Cecil D. Gritz, due to the failure, for more one year, to perform the abatement and corrective actions required by certain NOAVs.

Acting Hearings Manager, Peter Gowen, summarized the relevant findings of the proposed Order Finding Violation (OFV), and asked that the findings of fact from the draft OFV be adopted by the Commission and incorporated into the record. This action involves 11 wells with 42 violations involving: 1) abandonment rules issues under Rule 319; 2) mechanical integrity test issues under Rule 326; 3) improper disposal of E&P Wastes under Rule 324A.e; 4) failed soil segregation under Rule 1002; 5) failed interim reclamation under Rule 1003; 6) failed final reclamation under Rule 1004; and 7) inadequate bonding under Rule 706.b. NOAV dates ranged from March 1, 2010, to September 13, 2010. The proposed fine is \$420,000. The operator has been unresponsive and did not appear at the hearing.

Commissioner Pearce moved for the approval of the proposed OFV as presented, including the adoption of a finding of fact that the operator has engaged in a knowing and willful pattern of violation. The motion was seconded by Commissioner Craig and approved unanimously.

Cause No. 1V, Docket No. 1109-OV-27, Moffat County. Request for: (1) an order finding violation against Tatonka Oil and Gas Company, Inc. for various Rule violations at the Culverwell #10-23-07-94 Well, located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 23, Township 7 North, Range 94 West, 6th P.M., and the Eldon Gerber #07-24-07-92 Well, located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 24, Township 7

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North, Range 92 West, 6th P.M., and (2) an order finding a pattern of violation against Tatonka Oil and Gas Company, Inc., and its principal, Brian Hughes, due to the failure, for more one year, to perform the abatement and corrective actions required by certain NOAVs.

Acting Hearings Manager, Peter Gowen, summarized the relevant findings of the proposed Order Finding Violation (OFV), and asked that the findings of fact from the draft OFV be adopted by the Commission and incorporated into the record. This action involves two wells with 10 violations involving: 1) mechanical integrity test issues under Rule 326; 2) Pit violations under Rule 902.a; 3) Site Preparation & Stabilization issues under Rule 1002.f.(2); 4) interim reclamation issues under Rule 1003; and 5) site preparations and stabilization issues under Rule 1002. NOAV dates ranged from May, 2010, to December 2010. The proposed fine is \$100,000. The operator has been unresponsive and did not appear at the hearing.

Commissioner Benton moved for the approval of the proposed OFV as presented, including the adoption of a finding of fact that the operator has engaged in a knowing and willful pattern of violation. The motion was seconded by Commissioner Holton and approved unanimously.

The Commissioners engaged in a discussion about making it easier for people to search the Commission web data base to identify entities and individuals for whom a finding of a pattern of violation has been made. There was general support for developing this capability. The Commissioners also expressed interest in having an agenda item discussion on the process and consequences of finding an entity engaged in a pattern of violation at a later date.

Cause No. 1V, Docket No. 1109-OV-29, Baca County. Request for an order finding a pattern of violation against S&S Oil & Gas Operating, and its principal, J.R. Sorrels, due to the failure, for more than one year, to perform the abatement and corrective actions required by certain NOAVs.

Acting Hearings Manager, Peter Gowen, reported that this was a matter in which the Commission had entered a default Order Finding Violation at its August 8, 2011 meeting and had asked staff to bring the matter back for a finding of a pattern of violation. This matter involved 10 wells with 34 related citations and a fine imposed of \$380,000. He summarized the relevant findings of the proposed Order Finding Violation (OFV), and asked that the findings of fact from the draft OFV be adopted by the Commission and incorporated into the record.

Commissioner Pearce moved for the approval of the proposed OFV as presented, including the adoption of a finding of fact that the operator has engaged in a knowing and willful pattern of violation. The motion was seconded by Commissioner Craig and approved unanimously.

Cause No. 1V, Docket No. 1109-OV-30, Rio Blanco County. Request for an order finding a pattern of violation against West Hawk Energy (USA) LLC, and its principal, Gonzalo Torres Macchiavello, due to the failure, for more than one year, to perform the abatement and corrective actions required by certain NOAVs.

Acting Hearings Manager, Peter Gowen, reported that this was a matter in which the Commission had entered a default Order Finding Violation at its August 8, 2011 meeting and had asked staff to bring the matter back for a finding of a pattern of violation. This matter involved eight wells with 90 related citations and a fine imposed of \$940,000. He summarized the relevant findings of the proposed Order Finding Violation (OFV), and asked that the findings of fact from the draft OFV be adopted by the Commission and incorporated into the record.

Commissioner Benton moved for the approval of the proposed OFV as presented, including the adoption of a finding of fact that the operator has engaged in a knowing and willful pattern of violation. The motion was seconded by Commissioner Holton and approved unanimously.

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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 Pearce, seconded by Commissioner Benton and approved unanimously.

The Commission recessed for lunch and executive session at 11:30 p.m., reconvening at 12:30 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 Pearce, seconded by Commissioner Alward, 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 implications of a case between SG Interests and Gunnison County, but did not consider any other topic, and took no formal actions.

STAFF PRESENTATION

Mamm Creek Cementing Study – David Andrews, Western Colorado Engineering Supervisor presented a PowerPoint slide show on investigations surrounding the effectiveness of cementing operations in the Mamm Creek Bradenhead Notice to Operators (NTO) Area, Mamm Creek Cementing NTO Area, and East Mamm Creek Area. This was an interim report for an ongoing study.

It was noted that a Rule 510 Statement had been filed with the Commission on this agenda item by Lisa Bracken. Her statement had been presented to the Commissioners at the beginning of the meeting.

HEARING MATTERS (Cont.)

Docket No. 1106-GA-07, North Raton Basin Field, Huerfano County. Request for an order to approve of Petroglyph's plan to terminate coal bed methane ("CBM") operations in the Northern Raton Basin; (2) allow Petroglyph to plug and abandon certain wells drilled pursuant to the methane investigation, monitoring, and mitigation plan ("MIMMP") by cementing those boreholes their entire depth to isolate the Vermejo Coal Formation from the Poison Canyon Formation; and (3) provide for interim operation of Petroglyph's Phase Two-MIMMP Plan.

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Peter Gintautas, Southeast Environmental Protection Specialist, presented historical and technical background behind the Petroglyph application. Petroglyph attorney, Kenneth Wonstolen explained additional context for the requested order and introduced Petroglyph, Chief Executive Officer, Paul Powell, who made a PowerPoint presentation explaining Petroglyph's request.

Chairman, Compton had Assistant Attorney General, Jake Matter swear in all witnesses intending to present testimony including the following: 1) Paul Powell, Petroglyph; 2) Ken Smith, Chief Technical Officer, Petroglyph; 3) Ben Bounds, landowner; 4) Melanie Bounds, landowner; 5) Ed Wolahan, River Ridge Ranch Landowners' Association; 6) Bernice Angely, landowner; and 7) Bob Martin, landowner.

Main issues for deliberation included resolution of ongoing Petroglyph obligations in the absence of a written agreement with the impacted landowners, and the performance standard that the treatment system is required to meet.

Commissioner Alward moved that the performance standard applicable to the methane treatment systems be established at 5 mg/l. The motion was seconded by Commissioner Benton and approved unanimously.

Commissioner Pearce moved for the approval of the proposed order as presented by staff, and as amended by the immediately preceding motion. The motion was seconded by Commissioner Benton and approved unanimously.

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

Adjourned 4:45 p.m.

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

Order No.1C-8, Docket No. 1106-GA-07, North Raton Basin Field, Huerfano County. Approves the request for an order to approve of Petroglyph's plan to terminate coal bed methane ("CBM") operations in the Northern Raton Basin; (2) allow Petroglyph to plug and abandon certain wells drilled pursuant to the methane investigation, monitoring, and mitigation plan ("MIMMP") by cementing those boreholes their entire depth to isolate the Vermejo Coal Formation from the Poison Canyon Formation; and (3) provide for interim operation of Petroglyph's Phase Two-MIMMP Plan.

Order No. 407-449, Docket No. 1106-SP-62, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to establish an approximate 320-acre wellbore spacing unit for certain lands located in Section 28, Township 1 North, Range 66 West, 6th P.M., and approve one horizontal well within the unit (to accommodate the planned Marrs #28C-28HZ Well), for the production of gas and associated hydrocarbons from the Codell Formation.

Order No. 407-450, Docket No. 1106-SP-63, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to establish an approximate 320-acre wellbore spacing unit for certain lands located in Section 28, Township 1 North, Range 66 West, 6th P.M., and approve one horizontal well within the unit (to accommodate the planned Marrs 3N-28HZ Well), for the production of gas and associated hydrocarbons from the Niobrara Formation.

Order No. 407-477, Docket No. 1106-SP-64, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to establish an approximate 160-

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acre wellbore spacing unit for certain lands located in Section 28, Township 1 North, Range 66 West, 6th P.M., and approve one horizontal well within the unit (to accommodate the planned Marrs 2N-28HZ Well), for the production of gas and associated hydrocarbons from the Niobrara Formation.

Order No. 1V-380, Cause No. 1V, Docket No. 1108-OV-18, Kiowa/Cheyenne Counties. Approves the request for approval of an Administrative Order by Consent (AOC) against Citation Oil & Gas Corp. for various Rule violations at certain wells located in Kiowa and Cheyenne counties.

Order No. 1V-381, Cause No. 1V, Docket No. 1108-OV-19, Kiowa County. Approves the request for approval of an Administrative Order by Consent (AOC) against Chemco, Inc. for various Rule violations at the E.J. Muir Unit #1 Well, located in the NE¼ SW¼ of Section 35, Township 18 South, Range 45 West, 6th P.M., and the T-Wear #1 Well, located in the NW¼ SW¼ of Section 13, Township 18 South, Range 45 West, 6th P.M.

Order No. 535-68, Docket No. 1108-SP-76, Unnamed Field, Larimer County. Applicant, Chesapeake Exploration, LLC. Approves the request for an order to establish an approximate 640-acre drilling and spacing unit for Section 22, Township 10 North, Range 68 West, 6th P.M., and approve one horizontal well within the unit, for the production of gas and associated hydrocarbons from the Niobrara Formation.

Order No. 535-69, Docket No. 1108-SP-97, Unnamed Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to establish forty (40) 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 two (2) horizontal wells within each unit, for the production of gas and associated hydrocarbons from the Niobrara Formation.

Order Nos. 369-08 & 399-08, Docket No. 1108-SP-98, Buzzard Creek/Vega Field, Mesa County. Applicant, Delta Petroleum Corporation. Approves the request for an order to establish (5) exploratory drilling and spacing units for certain lands located in Sections 20 through 29, Township 9 South, Range 93 West, 6th P.M., and approve the equivalent of one well per 10 acres well density for the units.

Order No. 535-70, Docket No. 1108-SP-99, 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 Section 25, Township 8 North, Range 60 West, 6th P.M. and Section 34, Township 9 North, Range 58 West, 6th P.M., and approve up to two horizontal wells within each unit, for the production of gas and associated hydrocarbons from the Niobrara Formation.

Order No. 166-30, 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 N½ of Section 25, Township 9 South, Range 95 West, 6th P.M. ("Application Lands"), and approve the equivalent of one well per 10 acres well density within the unit, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group, and the Mancos, Niobrara, Frontier, and Mowry Formations ("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. 407-478, Docket No. 1108-UP-88, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all nonconsenting interests in the three proposed wellbore spacing units ("WBSU") established for: (1) the 320-acre WBSU for the W½ E½ and E½ W½ of Section 28, Township 1 North, Range 66 West, 6th P.M. (to

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accommodate the planned Marrs #28C-28HZ Well); (2) the 320-acre WBSU for the E½ W½ and W½ E½ of said Section 28 (to accommodate the planned Marrs #3N-28HZ Well); and the 160-acre WBSU for the W½ E½ of said Section 28 (to accommodate the planned Marrs #2N-28HZ Well); and (3) the 160-acre WBSU for the W½ E½, Section 28, Township 1 North, Range 66 West, 6th P.M. (to accommodate the planned Marrs #2N-28HZ Well).

Order No. 407-479, Docket No. 1109-AW-06, Wattenberg Field, Weld County. Applicant, EOG Resources, Inc. Approves the request for an order authorizing one additional horizontal well, for a total of up to two horizontal wells, for the approximate 640-acre drilling and spacing units established for Sections 22 and 23, Township 5 North, Range 62 West, 6th P.M.

Order No. 1V-382, Cause 1V, Docket No. 1109-OV-26, Garfield County. Approves the request for: (1) an order finding violation against Dolphin Energy Corp. for various Rule violations at the certain wells located in Garfield County, and (2) an order finding a pattern of violation against Dolphin Energy Corp., and its principal, Cecil D. Gritz, due to the failure, for more one year, to perform the abatement and corrective actions required by certain NOAVs.

Order No. 1V-383, Cause 1V, Docket No. 1109-OV-27, Moffat County. Approves the request for: (1) an order finding violation against Tatonka Oil and Gas Company, Inc. for various Rule violations at the Culverwell #10-23-07-94 Well, located in the NW¼ SE¼ of Section 23, Township 7 North, Range 94 West, 6th P.M., and the Eldon Gerber #07-24-07-92 Well, located in the SW¼ NE¼ of Section 24, Township 7 North, Range 92 West, 6th P.M., and (2) an order finding a pattern of violation against Tatonka Oil and Gas Company, Inc., and its principal, Brian Hughes, due to the failure, for more one year, to perform the abatement and corrective actions required by certain NOAVs.

Order No. 1V-384, Cause 1V, Docket No. 1109-OV-29, Baca County. Approves the request for an order finding a pattern of violation against S&S Oil & Gas Operating, and its principal, J.R. Sorrels, due to the failure, for more than one year, to perform the abatement and corrective actions required by certain NOAVs.

Order No. 1V-385, Cause 1V, Docket No. 1109-OV-30, Rio Blanco County. Approves the request for an order finding a pattern of violation against West Hawk Energy (USA) LLC, and its principal, Gonzalo Torres Macchiavello, due to the failure, for more than one year, to perform the abatement and corrective actions required by certain NOAVs.

Order No. 535-71, Docket No. 1109-SP-110, 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 10 North, Range 67 West, 6th P.M., and approve one horizontal well within the unit.

Order No. 535-72, Docket No. 1109-SP-112, Unnamed Field, Larimer County. Applicant, Marathon Oil Company. Approves the request for an order to establish two (2) approximate 640-acre drilling and spacing units for Sections 15, and 21, Township 10 North, Range 68 West, 6th P.M., and approve one horizontal well within each unit.

Order No. 535-73, Docket No. 1109-SP-114, Unnamed Field, Weld County. Applicant, Marathon Oil Company. Approves the request for an order to establish four (4) approximate 640-acre drilling and spacing units for Sections 21, 28, 31, and 33, Township 9 North, Range 57 West, 6th P.M., and approve one horizontal well within each unit.

Order No. 535-74, Docket No. 1109-SP-115, Unnamed Field, Weld County. Applicant, Marathon Oil Company. Approves the request for an order to establish two (2) approximate 640-acre drilling

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and spacing units for Sections 20 and 32, Township 8 North, Range 64 West, 6th P.M., and approve one horizontal well within each unit.

Order No. 407-480, Docket No. 1109-SP-116, Wattenberg Field, Weld County, Applicant, Noble Energy, Inc. Approves the request for an order to: 1) establish an approximate 640-acre drilling and spacing unit for Section 25, Township 6 North, Range 63 West, 6th P.M., and approve eight horizontal wells within the unit; 2) approve a variance from Rule 318A.f. to authorize a total of up to nine producing completions for the NW¼ and NE¼ of said Section 25; and 3) approve setbacks for wells drilled under the Application to require the treated interval of the wellbore should be no closer than 460 feet from the boundaries of the unit, for the production of oil, gas, and related hydrocarbons of the Niobrara Formation.

Order No. 535-75, Docket No. 1109-SP-117, Unnamed Field, Weld County, Applicant, Whiting Oil & Gas Corp. Approves the request for an order to establish four (4) approximate 640-acre drilling and spacing units for Sections 2, 4, 5, and 6, Township 9 North, Range 59 West, 6th P.M., and approve up to four (4) horizontal wells within each unit.

Order No. 535-76, Docket No. 1109-SP-118, Unnamed Field, Weld County, Applicant, Whiting Oil & Gas Corp. Approves the request for an order to establish five (5) approximate 960-acre drilling and spacing units for certain lands located in Township 10 North, Range 59 West, 6th P.M., and approve up to four (4) horizontal wells within each unit.

Order No. 537-01, Docket No. 1109-SP-119, Wingspan Field, Yuma County, Applicant, McElvain Oil & Gas Properties, Inc. Approves the request for an order to establish a 40.28-acre drilling and spacing unit for the NW¼ NW¼ of Section 1, Township 3 South, Range 46 West, 6th P.M., wherein the Robin #1-4 Well is planned.

Order No. 535-77, Docket No. 1109-SP-120, Wattenberg/Unnamed Field, Weld County, Applicant, EOG Resources, Inc. Approves the request for an order to establish two approximate 640-acre drilling and spacing units for Section 20, Township 4 North, Range 62 West, 6th P.M. and Section 26, Township 11 North, Range 64 West, 6th P.M., and approving one horizontal well within each unit.

Order No. 535-78, Docket No. 1109-UP-100, 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 established for Section 10, Township 9 North, Range 60 West, 6th P.M.

Order No. 535-79, Docket No. 1109-UP-101, 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 established for Section 3, Township 7 North, Range 60 West, 6th P.M.

Order No. 535-80, Docket No. 1109-UP-102, 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 established for Section 8, Township 7 North, Range 60 West, 6th P.M.

Order No. 535-81, Docket No. 1109-UP-103, 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 established for Section 19, Township 7 North, Range 60 West, 6th P.M.

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Order No. 535-82, Docket No. 1109-UP-104, 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 established for Section 17, Township 9 North, Range 59 West, 6th P.M.

Order No. 535-83, Docket No. 1109-UP-105, 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 22, Township 9 North, Range 67 West, 6th P.M., to accommodate the planned Ferry #22-9-67 1H Well.

Order No. 535-84, Docket No. 1109-UP-107, 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 36, Township 10 North, Range 66 West, 6th P.M., to accommodate the planned State #36-10-66 1H Well.

Order No. 535-85, Docket No. 1109-UP-109, 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 26, Township 9 North, Range 67 West, 6th P.M., to accommodate the planned Varra #26-9-67 1H Well.

Order No. 407-482, Docket No. 1109-UP-110, Wattenberg Field, Weld County, Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all nonconsenting interests in a designated approximate 160-acre wellbore spacing unit for the NW¼ NW¼ of Section 2 and the NE¼ NE¼ of Section 3, Township 2 North, Range 65 West, 6th P.M., and the SE¼ SE¼ of Section 34 and the SW¼ SW¼ of Section 35, Township 3 North, Range 65 West, 6th P.M. (to accommodate the Cannon #26-3 Well).

Order Nos. 232-292 & 407-483, Docket No. 1109-UP-111, Wattenberg Field, Weld County, Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all nonconsenting interests in an approximate 160-acre wellbore spacing unit designated for the E½ SW¼ and W½ SE¼ of Section 32, Township 2 North, Range 66 West, 6th P.M. (to accommodate the Carter #23-32 Well).

Order No. 232-293, Docket No. 1109-UP-112, Wattenberg Field, Weld County, Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all nonconsenting interests in an approximate 160-acre wellbore spacing unit designated for the SW¼ NW¼ and NW¼ SW¼ of Section 9 and the SE¼ NE¼ and NE¼ SE¼ of Section 10, Township 4 North, Range 66 West, 6th P.M. (to accommodate the Five #32-10 Well).

Order Nos. 232-294 & 407-484, Docket No. 1109-UP-114, Wattenberg Field, Weld County, Applicant: Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all nonconsenting interests in a designated approximate 160-acre wellbore spacing unit for the SW¼ SW¼ of Section 1, the SE¼ SE¼ of Section 2, the NE¼ NE¼ of Section 11, and the NW¼ NW¼ of Section 12, Township 2 North, Range 65 West, 6th P.M. (to accommodate the Pioneer #26-11 Well).

Order No. 232-295 & 407-485, Docket No. 1109-UP-118, Wattenberg Field, Weld County, Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to: (1) pool all nonconsenting interests in an approximate 160-acre wellbore spacing unit designated for the E½ SW¼ and W½ SE¼ of Section 30, Township 2 North, Range 68 West, 6th P.M. (to accommodate

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the Bryant #23-30 Well (the "Well")), for the development and operation of the Codell and Niobrara Formations; and (2) pool all nonconsenting interests in an approximate 320-acre wellbore spacing unit designated for the S½ of said Section 30 (to accommodate the Well), for the development and operation of the "J" Sand Formation.

Order No. 232-296, Docket No. 1109-UP-119, Wattenberg Field, Weld County, Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all nonconsenting interests in an approximate 320-acre wellbore spacing unit designated for the S½ of Section 30, Township 2 North, Range 68 West, 6th P.M. (to accommodate the Bryant #20-30 Well).

Order No. 232-297, Docket No. 1109-UP-120, Wattenberg Field, Weld County, Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all nonconsenting interests in an approximate 320-acre wellbore spacing unit designated for the S½ of Section 30, Township 2 North, Range 68 West, 6th P.M. (to accommodate the Bryant #16-30 Well).

FOR THE COLORADO OIL AND GAS
CONSERVATION COMMISSION

Peter J. Gowen, Acting Secretary

Approved:

Tom Compton, Chair