

## RECORD OF PROCEEDINGS

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October 31, 2011

The Oil and Gas Conservation Commission ("COGCC") met on October 31, 2011, at the City of Littleton Council Chambers, 2255 West Berry Avenue, Littleton, Colorado.

### **Roll Call of Commissioners:**

Present:

Tom Compton	Chairman
Perry Pearce	Vice-Chairman
Richard D. Alward	Commissioner
John Benton	Commissioner
Deann Craig	Commissioner
Mike King	Commissioner
Andrew Spielman	Commissioner
Chris Urbina	Commissioner
Jake Matter	Assistant Attorney General
David Neslin	Director
Peter Gowen	Acting Hearings Manager

Absent:

Tommy Holton	Commissioner
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### **Approval of Proceedings:**

Vice Chair Pearce moved for the approval of the minutes of the September 19, 2011 meeting. The motion was seconded by Commissioner Benton and approved unanimously.

### **DNR Executive Director's Report:**

Executive Director King reported on the following:

- 1) A recent Tenth Circuit Court of Appeals ruling reinstated the 2001 Roadless Rule. Work on Colorado's state-specific Roadless Rule is expected to be finalized by the end of the year.
- 2) DNR recently decided to drain Bonny Reservoir at Bonnie Lake State Park in order to comply with the Republican River Compact. DNR will continue to keep the State Park open for recreational opportunities and as wildlife habitat.
- 3) The State Land Board is receiving preliminary requests from the oil and gas industry to lease portions of the 22,000-acre Lowry Range. There will be high environmental standards for any oil and gas development at the Lowry Range because of the diverse wildlife habitat and other interests present.
- 4) Coal resources are being developed underneath the Bosque del Oso Wildlife Refuge in La Plata County. The Wildlife Refuge has approximately 250 oil and gas pads on the surface, but the Division of Parks and Wildlife does not have the rights to that resource. The state, however, retained the rights to coal development. Cline Mining, who is operating the New Elk Coal Mine beneath the Wildlife Refuge, expects to hire 500 employees to develop the mine. This mine will provide legacy funding for wildlife over the next 20 years with little surface impact.

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### **Director's Report:**

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

- Northwest Colorado Oil and Gas Forum: The next meeting of the Northwest Colorado Oil and Gas Forum is scheduled for December 1, 2011, at 10:00 am. The venue will once again be the Colorado Mountain College — West Garfield Campus, in Rifle, CO.
- Gas and Oil Regulatory Team (GORT) Meeting: Over 30 people attended the October 20, 2011, GORT meeting, including La Plata County Commissioner Wally White, COGCC Commissioner Tom Compton, and representatives of the United States Forest Service, La Plata County, Colorado Parks and Wildlife, Southern Ute Indian Tribe, and other stakeholders. Attendees were introduced to the draft COGCC hydrogen sulfide policy and interested parties were encouraged to participate and provide comment during upcoming stakeholders sessions. The next GORT/Southwest Colorado Oil and Gas Stakeholders meeting is scheduled for January 19, 2012, at the La Plata County Fairgrounds in Durango, Colorado.
- Fruitland Formation Outcrop Mitigation and Monitoring Projects (4M Projects): At the Fruitland Formation Outcrop, gas continues to be collected and vented at the Pine River Ranches location. At the 4M Monitoring Wells in La Plata and Archuleta Counties.
- 4M Monitoring Wells La Plata and Archuleta Counties. There are 17 wells at 11 locations in this COGCC 4M monitoring program.
- Ongoing Investigation, Reclamation, and Mitigation of Residual Methane in the Vicinity of the Bryce 1-X Well Area, Bondad, Colorado: Sampling was conducted on October 12, 2011. Laboratory data are pending. In addition, repairs and/or replacement of the methane detection systems located inside the Bondad Fire Station are currently being assessed and are scheduled for completion soon.
- 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.
- Methane Investigation Monitoring, and Mitigation Plan (MIMMP) - Huerfano County: Petroglyph Energy Inc. (PEI) has completed plugging their coal bed methane wells in Huerfano County. PEI reached agreements with 4 landowners on installation of methane mitigation systems at the landowners' homes as was approved at the September 2011 hearing.
- U.S. EPA Hydraulic Fracturing study- Raton Basin, Las Animas and Huerfano Counties: Two Raton Basin operators, Pioneer Natural Resources (Pioneer) and Petroglyph Energy Inc. (PEI), participated in the Environmental Protection Agency's (EPA) retrospective study of possible impacts from hydraulic fracturing of coal bed methane (CBM) wells in two area within the Raton Basin. Access was granted by Pioneer to two of their CBM wells and to two monitoring wells. PEI also granted access to the EPA to their monitoring wells and it had a third-party consultant collect replicate samples from many of the Huerfano County water wells sampled by the EPA. This is a four-year EPA study, and preliminary results are not expected to be available until 2012.
- Roger Allbrandt joined the COGCC as the new Hearings Officer in the Hearings Unit. Roger has a B.A. in Environmental Biology, an M.B.A. (Finance Specialty), and a J.D.

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- Cory Essex is the newest Production Analyst at the COGCC. Cory comes to us from the U.S. Geological Survey.
- Commission staff continues to meet with numerous community groups and local governments:
  - Dave Andrews and Linda Spry O'Rourke held a local forum with four Garfield County residents living near the East Mamm Creek Area. They presented information related to cementing practices and bradenhead pressure monitoring.
  - Stuart Ellsworth spoke at the Northwest Colorado Oil and Gas Symposium held by the Yampa Valley Partners giving an overview of the COGCC rules policies and procedures regarding permitting, drilling and completion.
  - Stuart Ellsworth spoke at the Garfield County Energy Advisory Board providing an update on the hydrogen sulfide investigation in the Parachute Field.
  - Margaret Ash provided a discussion on Hydraulic Fracturing to the Rocky Mountain Chapter Certified Hazardous Materials Managers.
  - Margaret Ash, Chuck Browning, and Soraya Baroumand attended a one day stormwater conference focusing on stormwater management for oil and gas operations. Margaret also participated as a panelist in a question and answer session.
  - Kris Neidel attended a Craig City Council Oil and Gas informational meeting in September.

Director Neslin discussed his own community participation, not mentioned in the Staff Report including:

- a public panel at the Hazardous Waste Management Society
- a Rural Electric Association Energy Conference in Fort Collins
- a public forum in Arapahoe County
- a meeting with El Paso County commissioners.

He noted that there is a lot of interest in oil and gas leasing as development comes into the more urban portions of the State.

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

Stuart Ellsworth gave an update on the hydrogen sulfide investigation involving Noble Energy facilities in the Parachute Field on the Piceance Basin.

Director Neslin discussed the baseline water sampling program being developed by COGA. COGA members participating in the program will take water samples before and after a well is drilled and fraced. COGA hopes to have the plan finalized within the next month. Operators participating in COGA's water sample analysis program operate a significant majority of the wells in the state.

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The COGCC website posts a response to recent *Denver Post* articles discussing spills and releases made by industry. The response emphasizes that all spills, no matter what size, must be cleaned and contained. It also lists the other state agencies involved in such regulation matters.

Director Neslin, Executive Director King and senior staff met with Chris Urbina and his senior staff at CDPHE to discuss air quality issues. Director Neslin reported that staff regularly meets with the Water Quality Control staff on common water quality matters, and emphasized the need to be working with air specialists as EPA is working on promulgating rules on air emissions.

The STRONGER Report on the COGCC hydraulic fracturing regulatory program was recently released. The Report identified strengths and recommendations. Among the recommendations, the STRONGER Report encouraged: 1) implementation of minimum surface casing depths; 2) implementation of maximum surface casing depths; 3) revised completion reports to include identification of materials used, aggregate volumes of fracturing fluids and proppant used, and fracture pressures recorded; 4) an evaluation of naturally occurring radioactive materials (NORM); and 5) evaluation of sources of water for use in hydraulic fracturing.

As to the first two recommendations, Director Neslin submitted a letter to STRONGER stating why he believes the COGCC program is appropriate and adequate. The Commission's upcoming rulemaking on hydraulic fracturing will address recommendation three. Recommendation four regarding NORM evaluation is something that staff is aware of and will get to it as it has time. As to recommendation five, staff is also working on this issue including determining what water demands may be in the future and where it will come from. There will be a stakeholder meeting in the coming months to discuss the STRONGER recommendations and the COGCC's plans based on those recommendations. While there is no timetable for a response, COGCC will respond to the Report.

### **Commissioner Comments:**

Commissioner Craig inquired as to the status of the list of operators who have unpaid fines levied against them, their financial assurance has been called, or they have been cited for having a pattern of violation. Acting Hearings Manager Peter Gowen responded that the list is being compiled.

Commissioner Benton commended Director Neslin on the STRONGER Report's statement that the COGCC is well managed.

### **Audience Comments:**

State Representative Su Ryden, District 36 in Aurora, provided comments stemming from constituent meetings she has been having. She is finding that there is a great deal of concern in the newer residential developments about oil and gas drilling in heavily-residential areas. She stated that after reviewing the Colorado Revised Statutes and the COGCC Rules, she did not see anything specific to oil and gas development near subdivisions and major schools. Major issues of concern to her constituents is the potential proximity to homes, methane, truck traffic, dirt, noise, groundwater quality, and impacts to the newly-created P-20 Vista Peak campus. She stated that overall, people seem to be most concerned about the surface impacts and want notice on what will happen in their area.

Tracy Cook, resident of Gun Club Estates in Aurora, raised concern about possible drilling near his property.

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Gerald Brewer, resident of Cross Creek in Aurora, raised concern about emergency preparedness and whether his local fire station is aware of how to deal with any events that may happen in relation to oil and gas hydraulic fracturing.

### **Consent Agenda**

With 47 matters listed for the Consent Agenda, Chairman Compton suggested that the Commission consider the matters in four 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. 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.

Vice Chair Pearce moved for the approval of all Group A applications of the Consent Agenda, as recommended by staff, as follows:

Docket No. 1110-SP-130, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing an 80-acre drilling and spacing unit within Section 20, Township 7 North, Range 63 West, 6th P.M., Weld County, for development and production of oil, gas and related hydrocarbons from the Codell and Niobrara Formations.

Docket No. 1110-SP-133, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing an approximate 640-acre drilling and spacing unit for Section 5, Township 8 North, Range 59 West, 6th P.M., Weld County, and to drill up to two horizontal wells, and one or more vertical wells, for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-134, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing one 320-acre wellbore spacing unit within Section 18, Township 5 North, Range 63 West, 6th P.M., Weld County, for the drilling of one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-135, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing one 320-acre wellbore spacing unit within Section 18, Township 5 North, Range 63 West, 6th P.M., Weld County, and the drilling of one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-136, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing one 480-acre wellbore spacing unit for the drilling of one horizontal well within Sections 1, 2, 11 and 12, Township 4 North, Range 64 West, 6th P.M., and Sections 6 and 7, Township 4 North, Range 63 West, 6th P.M., Weld County, for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-137, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing a 320.684-acre wellbore spacing unit in Section 1, Township 4 North, Range 66 West, 6th P.M., Weld County, for the drilling

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of one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-138, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing a 320-acre wellbore spacing unit within Section 8, Township 4 North, Range 64 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-139, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing one 320-acre wellbore spacing unit within Section 8, Township 4 North, Range 64 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-140, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing one approximate 321.69-acre wellbore spacing unit within Sections 2 and 11, Township 5 North, Range 64 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-141, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing a 320-acre wellbore spacing unit within Sections 1 and 12, Township 5 North, Range 64 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-142, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing an approximate 399.38-acre wellbore spacing unit within Sections 33 and 34, Township 4 North, Range 66 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-143, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing a 320-acre wellbore spacing unit within Section 34, Township 4 North, Range 65 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-144, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing a 320-acre wellbore spacing unit within Section 24, Township 3 North, Range 65 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-145, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing a 320-acre wellbore spacing unit within Sections 9, and 16, Township 5 North, Range 64 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-146, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing a 320-acre wellbore spacing unit within

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Section 24, Township 3 North, Range 65 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-148, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing a 480-acre wellbore spacing unit within Sections 3, 4, 9 and 10, Township 4 North, Range 65 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-149, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing an approximate 325.59-acre wellbore spacing unit within Section 3, Township 2 North, Range 67 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-150, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing a 320-acre wellbore spacing unit for the drilling of one horizontal well for Sections 20 and 21, Township 4 North, Range 64 West, 6th P.M., Weld County, Colorado, for production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-151, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order establishing a 320-acre wellbore spacing unit for the drilling of one horizontal well for Section 17, Township 4 North, Range 64 West, 6th P.M., Weld County, Colorado, for production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-152, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order to: 1) vacate an existing 640-acre drilling and spacing unit, 2) establish one approximate 320-acre drilling and spacing unit, and 3) allow one horizontal well and one or more vertical wells to be drilled within the 320-acre drilling and spacing unit for Section 17, Township 8 North, Range 63 West, 6th P.M., Weld County, Colorado, for development and production of gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-153, Unnamed Field, Weld County. Applicant, Noble Energy, Inc. Request for an order to: 1) vacate an existing 640-acre drilling and spacing unit, 2) establish one approximate 320-acre drilling and spacing unit, and 3) allow one horizontal well and one or more vertical wells to be drilled within the 320-acre drilling and spacing unit in Section 33, Township 8 North, Range 63 West, 6th P.M., Weld County, Colorado, for development and production of gas and related hydrocarbons from the Niobrara Formation.

The motion was seconded by Commissioner Benton and approved unanimously.

### *Group B*

Acting Hearings Manager, Peter Gowen reported that Docket No. 1110-SP-122 (Anadarko E&P Company LP) had received an apparent email protest on October 28, 2011, and recommended that the matter be considered separately in order to email protest be considered initially.

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Chairman 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. Commissioner Alward requested clarification on Docket No. 1110-SP-128 (Laramie Energy II, LLC) prior to consideration of Group B.

### Docket No. 1110-SP-122

William Keefe, attorney for Anadarko, spoke to the email protest on Docket No. 1110-SP-122. He argued that the email was not a protest because it was not timely filed, and did not meet other Commission requirements of a protest. Mr. Keefe requested the Commission summarily dismiss the protest. Chairman Compton stated that he did not want to discourage comments on applications, but that the Commission protest process needed to be followed. Commissioner Craig moved for approval of the matter as follows:

Docket No. 1110-SP-122, Center Pivot Field, Adams County. Applicant, Anadarko E & P Company LP. Request for an order establishing 19 approximate 640 acre drilling and spacing units for Sections 18 and 26, Township 3 South, Range 64 West 6th P.M., and Sections 13, 14, 16, 17, 20 through 24, 26, 28 through 34, Township 3 South, Range 65 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

The motion was seconded by Commissioner Benton and approved unanimously.

### Docket No. 1110-SP-128

Commissioner Alward noted the application in Docket No. 1110-SP-128 specifically asked for one well per well pad, but that that language was not in the draft order presented to the Commission. Acting Hearings Manager Peter Gowen stated that language would be inserted into the final order. Commissioner Alward next asked about the Division of Wildlife's process in reviewing spacing applications, particularly where one of the quarter-quarter sections contains wildlife issues. Director Neslin and Acting Hearings Manager Peter Gowen explained that unless the Commission receives comments from the DOW, it is policy to assume there are no wildlife issues. Acting Hearings Manager Peter Gowen further explained that wildlife issues are addressed in greater depth at the 2A site-specific permitting process where the DOW consulted. The explanation satisfied Commissioner Alward, who moved for approval of the following matter as amended:

Docket No. 1110-SP-128, Grand Valley Field, Garfield County. Applicant, Laramie Energy II, LLC. Request for an order establishing an approximate 40-acre spacing unit for the SE $\frac{1}{4}$  SE $\frac{1}{4}$ , Section 3, Township 8 South, Range 96 West, 6th P.M., and establishing well density and location rules for the development and production of oil, gas and associated hydrocarbons for the Mancos, Niobrara, Frontier and Mowry Formations.

The motion was seconded by Vice Chair Pearce and approved unanimously.

Commissioner Craig moved for approval of the remainder of Group B applications as follows:

Docket No. 1109-AW-07, Hereford 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 unit established for Section 7, Township 11 North, Range 62 West, 6th P.M.



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Docket No. 1109-SP-113, Unnamed Field, Larimer County, Applicant, Marathon Oil Company. Request for an order to establish 16 approximate 640-acre drilling and spacing units for certain lands located in Townships 6 and 7 North, Ranges 61 and 62 West, 6th P.M., and approve one horizontal well within each unit.

Docket No. 1110-SP-123, Mamm Creek Field, Garfield County. Applicant, Antero Resources Piceance Corporation. Request for an order establishing an approximate 30-acre drilling and spacing unit for Section 16, Township 6 South, Range 92 West, 6th P.M., Garfield County, Colorado, and pooling all nonconsenting interests for development and production of oil, gas and related hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group.

Docket No. 1110-SP-124, Mamm Creek Field, Garfield County. Applicant, Antero Resources Piceance Corporation. Request for an order establishing two drilling and spacing units for Sections 11, and 12, Township 6 South, Range 92 West, 6th P.M., Garfield County, Colorado, for development and production of oil, gas and related hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group.

Docket No. 1110-SP-125, Unnamed Field, Weld County. Applicant, Carrizo Oil & Gas, Inc. Request for an order establishing three approximate 640-acre drilling and spacing units for Sections 18, 19 and 27, Township 10 North, Range 59 West, 6th P.M., Weld County, Colorado, and authorizing up to two horizontal wells in each such unit at its option for development and production of oil, gas and related hydrocarbons from the Niobrara Formation. Section 27, Township 10 North, Range 59 West, 6th P.M. is subject to a protest and had been bifurcated and continued to the December 12, 2011 Commission meeting.

Docket No. 1110-SP-126, Unnamed Field, Weld County. Applicant, Carrizo Oil & Gas, Inc. Request for an order establishing three approximate 640-acre drilling and spacing units for Sections 14, 26 and 35, Township 8 North, Range 60 West, 6th P.M., Weld County, and authorizing up to two horizontal wells within each unit, with the second well in each unit optional, for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-127, Unnamed Field, Weld County. Applicant, Carrizo Oil & Gas, Inc. Request for an order establishing three approximate 640-acre drilling and spacing units for Sections 14, 15 and 20, Township 8 North, Range 61 West, 6th P.M., Weld County, and authorizing up to two horizontal wells in each unit, with the second well in each unit optional, for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-129, Mamm Creek Field, Garfield County. Applicant, Laramie Energy II, LLC. Request for an order establishing well density and location rules for an approximately 165.25 acre unit located in Sections 29 through 32, Township 7 South, Range 93 West, 6th P.M., Garfield County, for development and production of oil, gas and related hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group.

The motion was seconded by Vice Chair Pearce and approved unanimously.

*Group C*

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Chairman 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 Benton moved for the approval of all Group C applications of the Consent Agenda, as recommended by staff, as follows:

Docket No. 1109-UP-115, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order pooling all nonconsenting interests in a proposed approximate 320-acre wellbore spacing unit established for the W½ of Section 15, Township 2 North, Range 67 West, 6th P.M. (to accommodate the planned Paradise 4-15HZ Well).

Docket No. 1110-UP-122, Center Pivot Field, Weld County. Applicant, Chesapeake Exploration, LLC. Request for an order pooling all interests in Section 18, Township 8 North, Range 66 West, 6th P.M., Weld County, Colorado, for the for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-UP-123, Center Pivot Field, Weld County. Applicant, Chesapeake Exploration, LLC. Request for an order pooling all interests in Section 20, Township 8 North, Range 66 West, 6th P.M., Weld County, Colorado, for the for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-UP-124, Center Pivot Field, Weld County. Applicant, Chesapeake Exploration, LLC. Request for an order pooling all interests in Section 8, Township 9 North, Range 66 West, 6th P.M., Weld County, Colorado, for the for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-UP-126, Center Pivot Field, Weld County. Applicant, Chesapeake Exploration, LLC. Request for an order pooling all interests for Section 14, Township 9 North, Range 66 West, 6th P.M., Weld County, Colorado, for the for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-UP-127, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order pooling all interests within a 160-acre designated wellbore spacing unit in Section 16, Township 2 North, Range 68 West, 6th P.M. Weld County, to accommodate the Cooley 23-16 Well, for development and production of oil, gas and related hydrocarbon from the J-Sand Formation.

Docket No. 1110-UP-128, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order pooling all interests within a 80-acre designated wellbore spacing unit within Section 35, Township 1 North, Range 67 West, 6th P.M. Weld County, to accommodate the Dry Creek 14-35 Well, for development and production of oil, gas and related hydrocarbons from the Codell and Niobrara Formations.

Docket No. 1110-UP-129, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order pooling all interests within a 80-acre designated wellbore spacing unit in Section 35, Township 1 North, Range 67 West, 6th P.M. Weld County, to accommodate the Dry Creek 11-35 Well, for development and production of oil, gas and related hydrocarbons from the Codell and Niobrara Formations.

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Docket No. 1110-UP-130, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order pooling all interests within a 160-acre designated wellbore spacing unit located in Section 35, Township 1 North, Range 67 West, 6th P.M. Weld County, to accommodate the Dry Creek 22-35 Well, for development and production of oil, gas and related hydrocarbons from the Codell and Niobrara Formations.

Docket No. 1110-UP-132, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order pooling all interests within a 160-acre designated wellbore spacing unit in Section 35, Township 1 North, Range 67 West, 6th P.M. Weld County, to accommodate the Dry Creek 23-35 Well, for development and production of oil, gas and related hydrocarbons from the Codell, Niobrara and J Sand Formations.

Docket No. 1110-UP-133, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order pooling all interests within a 160-acre designated wellbore spacing unit in Section 32, Township 2 North, Range 66 West, 6th P.M. Weld County, to accommodate the Fehr 25-32 Well, for development and production of oil, gas and related hydrocarbons from the Codell, Niobrara and J Sand Formations.

Docket No. 1110-UP-135, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order pooling all interests within a designated 160-acre wellbore spacing unit in Section 32, Township 2 North, Range 66 West, and Section 5, Township 1 North, Range 66 West, 6th P.M. Weld County, to accommodate the Carter 36-32 Well, for development and production of oil, gas and related hydrocarbons from the Codell, Niobrara and J Sand Formations.

Docket No. 1110-UP-136, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order pooling all interests within a designated 80-acre wellbore spacing unit within Section 20, Township 7 North, Range 63 West, 6th P.M., Weld County, for the drilling the Wilson PC AC20-10 Well, for development and production of oil, gas and related hydrocarbons from the Codell and Niobrara Formations.

The motion was seconded by Commissioner Alward and approved unanimously.

### *Group D*

Acting Hearings Manager Peter Gowen reported that Section 15, Township 4 South, Range 64 West 6<sup>th</sup> P.M. had been pulled from Docket No. 1110-SP-121 due to a protest by Renegade Oil & Gas Company, LLC and has been continued to the December Commission meeting. Acting Hearings Manager Peter Gowen further reported that Section 19, Township 4 South, Range 64 West, 6<sup>th</sup> P.M., Section 29, Township 5 South, Range 64 West, 6<sup>th</sup> P.M. and Section 25, Township 5 South, Range 65 West, 6<sup>th</sup> P.M. had been withdrawn from the Application.

Chairman Compton asked if any Commissioners had a conflict of interest or recusals with any of the items within Group D of the Consent Agenda. Vice Chair Pearce stated that his employer, Conoco Phillips, was listed as an interested party on Docket No. 1110-SP-121 and he thus recused himself from participating in the matter.

Chairman Compton then allowed public comment from parties who had previously submitted Rule 510 statements.

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Tracy Cook, upon being sworn-in, stated that he was concerned about the value of homes in his neighborhood and the tax revenue for the Cross Creek Metropolitan District. With the knowledge that Anadarko has large tracts of land, he wants to know why Anadarko appears to be moving toward drilling in his neighborhood?

Dawn Boles, resident of Cross Creek in Aurora, upon being sworn-in, discussed her concern that the intersection of 6<sup>th</sup> Avenue and Gun Club is a bad intersection in need of repair and not ready for the heavy truck traffic of oil and gas development. She said the infrastructure is not in place. She is further concerned with the impact oil and gas production will have on the nearby Vista Peak campus.

Eric Neeley, upon being sworn-in, stated that he believed the common-sense approach to drilling did not include drilling in such a densely-populated area. He was concerned about the welfare of his community due to fracturing, and would like more education on the fracturing process. He discussed earthquakes in the 1960s having occurred because of chemical injections into the ground in a similar formation and is concerned that similar earthquakes could happen here. He further is concerned about home prices and the risk of rising foreclosures if drilling occurs in his neighborhood.

Gerald Brewer, upon being sworn-in, stated that he wants more information on oil and gas development. He first learned about this process a month ago through the notice process, and feels that he needs more education before drilling should be allowed to proceed in his neighborhood.

Acting Hearings Manager, Peter Gowen, informed the Commission that the City of Denver, although not represented at the hearing, had submitted a statement and wanted to be notified about any drilling occurring near the former Lowry Landfill site. While this request is not incorporated into the draft order, Anadarko has agreed that the City should have said notice and staff is working to ensure the notice will be provided.

William Keefe, attorney for Anadarko, distributed a map of the application area to Commissioners and explained locations depicted on the map. Mr. Keefe affirmed that Anadarko agrees that the City of Denver should receive notice of any wells proposed to be drilled near the former Lowry Landfill site. Mr. Keefe further stated that the 510 statements are well taken, but that this is an application for a spacing order and not an application for a permit to drill. He argued that the concerns from the 510 statements need to be addressed, but that this is not the proper forum for the neighborhood concerns.

Chairman Compton affirmed that this is an application for spacing not for a permit to drill, and asked for commissioner comments.

Commissioner King noted that the neighborhood concerns need to be addressed in another forum.

Commissioner Alward suggested that Anadarko work with the community to educate the public about the drilling process and notify them as steps toward drilling are taken. Commissioner Alward reminded the Commission that it needed to consider appropriate setbacks.

Commissioner Spielman thanked the public for their comments and assured them that the Commission will address in the future the issues surrounding oil and gas development within communities such as theirs.

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Commissioner Craig thanked the public for their comments, reminded them that oil and gas development lasts for up to 50 years in a location, and told them that it is important to become a partner in the development from the start.

Acting Hearings Manager Peter Gowen reminded the Commissioners that this Docket No. will be before them again in December due to the Renegade protest regarding Section 15, Township 4 South, Range 64 West 6<sup>th</sup> P.M.

Commissioner Benton moved for the approval of the Group D application of the Consent Agenda, as recommended by staff, as follows:

Docket No. 1110-SP-121, Unnamed Field, Arapahoe County. Applicant, Anadarko E & P Company LP. Request for an order establishing 25 approximate 640 acre drilling and spacing units for lands in Townships 4 and 5 South, and Ranges 64 and 65 West, 6th P.M., Arapahoe County, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

The motion was seconded by Commissioner Alward and approved unanimously.

### **Violation Hearings**

Acting Hearings Manager Peter Gowen informed the Commission that Docket No. 1110-OV-31 (West Hawk Energy (USA) LLC) has been continued to December at the request of West Hawk so it could engage legal counsel.

### **LUNCH BREAK /EXECUTIVE SESSION**

Assistant Attorney General, Jake Matter, informed the Commission that the *Grand Valley Citizens Alliance v. COGCC* matter is being heard before the Colorado Supreme Court on November 30, 2011 at 1:30 p.m. Because of other meetings scheduled to occur during the lunch break and because there were no pressing matters for discussion, Assistant Attorney General Jake Matter informed the Commissioners that there was no need to go into an executive session.

The Commission recessed for lunch at 12:00 p.m., reconvening at 1:15 p.m.

Upon reconvening, Acting Hearings Manager Peter Gowen informed the Commission that the attorneys for the hearing matter scheduled for the afternoon involving a dispute between Noble Energy, Inc. and landowners Benny and Diana Cantrall reported that they had reached a settlement in principle, and the hearing was vacated.

### **COGCC – Gunnison County Memorandum of Understanding**

Director Neslin introduced Gunnison County Attorney David Baumgarten, who in turn introduced Gunnison County Commissioners Phil Chamberland, Hap Channell and Paula Swenson. David Baumgarten stated that the proposed MOU is a good first step in a dialogue between the COGCC and Gunnison County.

Gunnison County Commissioner Hap Channell, Chairperson, thanked the COGCC for its work on the MOU and stated that this is a visionary MOU that will provide better communication between the entities and which demonstrates their shared interests in oil and gas development.

Director Neslin provided background on the proposed MOU, stating that approximately five months ago the COGCC began looking at how to better coordinate with Gunnison County. The goal of

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this MOU, and potentially similar MOU's in the future, is to avoid a patchwork of oil and gas regulatory regimes across the state. Director Neslin explained that the proposed MOU is not a final agency action, nor is it enforceable, but that it is a first step in integrating local governments into the COGCC programs.

Director Neslin explained the contents of the MOU. Director Neslin further stated that other stakeholders were involved in the development of the proposed MOU, including COGA and Colorado Counties, Inc. However, the Colorado Petroleum Association was not involved, which was an oversight.

Commissioner King, who had been involved in the formation of the proposed MOU, added that oil and gas development is reaching where it had not previously occurred. In the desire for one set of oil and gas regulations, the COGCC needs to hear and address local concerns individually and not treat Gunnison County – and other counties – the same as Weld County.

Chairman Compton opened the discussion to public comment.

Chip Taylor, Colorado Counties Inc., stated that there has been ongoing tension between counties and the COGCC for a while. This kind of discussion about opened communication and integration gives county commissioners peace of mind and gives them a role in the process. Colorado Counties Inc. supports the proposed MOU.

Ken Wonstolen, Beatty & Wozniak attorney representing SG Interests, Ltd., previously submitted a letter to the Commission voicing opposition to the proposed MOU. Mr. Wonstolen highlighted the letter by voicing concern that in the past Gunnison County has had permitting rules separate from the COGCC which have recently been held invalid by a state district court. The Colorado Supreme court has stated that counties are to carry out the will of the State. Mr. Wonstolen stated that the goals of the state are to provide a timely and efficient permitting process with consistency and one standard of rules. He recommended that Gunnison County should have no enforcement authority because as otherwise there would be a lack of consistency in implementing the Rules. He further recommended that the COGCC approve and train any persons designated to conduct inspection and monitoring functions through the proposed MOU.

Eric Sanford, Operations and Land Manager for SG Interests. Ltd. ("SG"), stated that SG encourages an active LGD program and encourages inspections. However, he thinks this proposed MOU will politicize and decentralize inspections. Further, there is a BLM/COGCC MOU that states that any assignment of inspection authority must be approved between those parties; Mr. Sanford asks whether the BLM has approved this MOU? He thinks this proposed MOU is aspirational and should have had more stakeholders involved in the process. He thinks the proposed MOU will ensure litigation and recommends to the Commission that the process be slowed down to let industry and the BLM have input.

Andrew Casper, COGA, GOGA supports the proposed MOU because it wants to see consistency and one regulatory framework. Further, he hopes: 1) there will be no added costs or delays; 2) inspection staff will meet certain requirements; 3) there will not be an increase in fees; and 4) there will not be a lag in permitting because of the MOU.

John Seaman, representing the Colorado Petroleum Association ("CPA"), expressed his members' disappointment that they had not heard of the proposed MOU earlier than they did. He felt there was not enough transparency in the process and feels that the CPA's input could have helped answer practical questions about how the proposed MOU is implemented and addressed training and qualifications. He expressed concern with the use of the word "harmonize" in the MOU, stating that that word brought out implications regarding jurisdiction lines within the Colorado

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courts.

Commissioner Spielman asked about the issue with the word “harmonize”. Mr. Seaman stated he believed that there is no ability for state preemption if the courts find operations are harmonized between the COGCC and Gunnison County.

Commissioner Benton asked if there would be differences in the proposed MOU had CPA been involved. Mr. Seaman stated there would have likely been better clarity in the document, such as regarding interaction with federal lands.

Brad Robinson, Gunnison Energy, stated his company’s support of the proposed MOU. He stated that he thought this will ultimately speed up the process of permits in Gunnison County but that COGCC will need to work to train inspectors.

Scott Donato, Government Affairs for Bill Barrett Corp., expressed concern that an adversarial situation will soon arise with the proposed MOU. He asked if COGCC will actually train the inspector. Further, the Rules and LGD process already give counties input such that the proposed MOU is not needed. He asked the Commission to reserve voting until after industry had had the opportunity to provide input on the MOU. Bill Barrett is not an operator in Gunnison County.

Following public comment, Commissioner Spielman and Vice Chair Pearce stated that they had tangential conflicts of interest with the proposed MOU but both believed they could discuss and vote impartially. Assistant Attorney General Jake Matter stated that as long as Commissioner Spielman and Vice Chair Pearce believed they could be impartial there was no need for them to recuse themselves. Chairman Compton agreed.

Director Neslin responded to the public comment, stating that in the last three years, the COGCC has approved 19 permits in Gunnison County, all of which were from either SG Interests or Gunnison Energy. Drafts of the proposed MOU were shared with COGA, SG and Gunnison Industry about a month ago. This is the first step and there will need to be an intergovernmental agreement (IGA) to actually implement the MOU, which he assured the Commissioners that the CPA and other stakeholders, including operators, could be involved in formulating. He expressed that the use of the word “harmonize” was synonymous with “cooperate” and could likely be removed from the proposed MOU.

Executive Director King asked what the implications of this proposed MOU would be on federal lands.

Director Neslin responded that that would need to be resolved through the subsequent IGA but that was only an issue if an inspector was attempting to inspect a well on BLM land.

Vice Chair Pearce asked if this proposed MOU is similar to the LGD program from three years ago and wondered why that program isn’t doing what it was intended to. Director Neslin responded that there is an issue with staffing and experience and that there is not a training program for LGDs. The COGCC does respond currently to local government, but this effort may have to be increased.

Vice Chair Pearce asked if the subsequent IGA would be implemented without Commissioner approval? Director Neslin responded that the IGA would come before the Commission for approval prior to implementation.

Commissioner Craig stated that the proposed MOU might give the community comfort to know that a local government is invested in the permitting process.

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Commissioner Benton wondered whether the existing LGD program could do the functions of the proposed MOU and noted that the STRONGER Report highlighted the abilities of management and field staff to do a good job.

Director Neslin explained that the LGD does not provide assignment of authority but does give more attention to counties. This proposed MOU deals with the perception on the part of the county, who wants an inspector available on short notice. Director Neslin explained that Gunnison County is the place to try the proposed MOU because there is not a lot of activity going on in Gunnison County and not very many operators. It is the ideal situation for the first MOU of this kind.

Commissioner Spielman agreed that Gunnison County is the right place to try the proposed MOU.

Commissioner Alward stated that the COGCC needs to keep the lines of communication open with counties and this proposed MOU is formalizing such with Gunnison County.

Vice Chair Pearce suggested an annual report to the Commission be added to the proposed MOU and that the word “harmonize” be stricken from the document.

Gunnison County Attorney David Baumgarten stated that “harmonize” is what the agreement is all about and should remain in the document.

Vice Chair Pearce again asserted the word should be removed.

Chairman Compton expressed concern that certain stakeholders were left out of the process and wanted to ensure the quality of any inspection staff authorized to conduct inspections on behalf of the COGCC.

Commissioner Spielman suggested that the Commission recess so Director Neslin and the Gunnison County officials present could meet to make changes to the proposed MOU as discussed.

Upon reconvening, Director Neslin outlined the following changes:

- The word “harmonize” shall be stricken from Sections A. and B.1.;
- Section E will add two sentences, stating, “Approximately six months after the effective date of this MOU, the Commission will accept public comment on, and review implementation of, the MOU at a regularly scheduled public meeting. Thereafter, the Commission will accept public comment on, and review implementation of, the MOU at a regularly scheduled public meeting on an annual basis.”
- Section F.1. will include the phrase “or current practice” to indicate that the MOU shall not slow down the current schedule for permitting;
- Section G dealing with inspection authority will clarify in 1. That the inspection or monitoring functions are “to be delegated by the Commission”; the Commission will in 3. “approve and” train inspection staff; and through the IGA process, “The Parties will involve a broad range of stakeholders to participate in developing this intergovernmental agreement.”

Commissioner Spielman moved for approval of the proposed MOU as amended. The motion was seconded by Commissioner Alward and approved unanimously.



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

Adjourned 3:40 p.m.

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

Order No. 421-12, Docket No. 1109-AW-07, Hereford 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 unit established for Section 7, Township 11 North, Range 62 West, 6th P.M.

Order No. 407-501, Docket No. 1109-SP-113, Unnamed Field, Larimer County, Applicant, Marathon Oil Company. Approves the request for an order to establish 16 approximate 640-acre drilling and spacing units for certain lands located in Townships 6 and 7 North, Ranges 61 and 62 West, 6th P.M., and approve one horizontal well within each unit.

Order No. 535-97, Docket No. 1110-SP-121, Unnamed Field, Arapahoe County. Applicant, Anadarko E & P Company LP. Approves the request for an order establishing 30 approximate 640 acre drilling and spacing units for lands in Townships 4 and 5 South, and Ranges 64 and 65 West, 6th P.M., Arapahoe County, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 535-89, Docket No. 1110-SP-122, Center Pivot Field, Adams County. Applicant, Anadarko E & P Company LP. Approves the request for an order establishing 19 approximate 640 acre drilling and spacing units for Sections 18 and 26, Township 3 South, Range 64 West 6th P.M., and Sections 13, 14, 16, 17, 20 through 24, 26, 28 through 34, Township 3 South, Range 65 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 191-89, Docket No. 1110-SP-123, Mamm Creek Field, Garfield County. Applicant, Antero Resources Piceance Corporation. Approves the request for an order establishing an approximate 30-acre drilling and spacing unit for Section 16, Township 6 South, Range 92 West, 6th P.M., Garfield County, Colorado, and pooling all nonconsenting interests for development and production of oil, gas and related hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group.

Order 191-90, Docket No. 1110-SP-124, Mamm Creek Field, Garfield County. Applicant, Antero Resources Piceance Corporation. Approves the request for an order establishing two drilling and spacing units for Sections 11, and 12, Township 6 South, Range 92 West, 6th P.M., Garfield County, Colorado, for development and production of oil, gas and related hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group.

Order No. 535-90, Docket No. 1110-SP-125, Unnamed Field, Weld County. Applicant, Carrizo Oil & Gas, Inc. Approves the request for an order establishing three approximate 640-acre drilling and spacing units for Sections 18, 19 and 27, Township 10 North, Range 59 West, 6th P.M., Weld County, Colorado, and authorizing up to two (2) horizontal wells in each such unit at its option for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 535-91, Docket No. 1110-SP-126, Unnamed Field, Weld County. Applicant, Carrizo Oil & Gas, Inc. Approves the request for an order establishing three approximate 640-acre drilling and spacing units for Sections 14, 26 and 35, Township 8 North, Range 60 West, 6th P.M., Weld County, and authorizing up to two horizontal wells within each unit, with the second well in each

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unit optional, for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 535-92, Docket No. 1110-SP-127, Unnamed Field, Weld County. Applicant, Carrizo Oil & Gas, Inc. Approves the request for an order establishing three approximate 640-acre drilling and spacing units for Sections 14, 15 and 20, Township 8 North, Range 61 West, 6th P.M., Weld County, and authorizing up to two horizontal wells in each unit, with the second well in each unit optional, for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order, No. 139-114, Docket No. 1110-SP-128, Grand Valley Field, Garfield County. Applicant, Laramie Energy II, LLC. Approves the request for an order establishing an approximate 40-acre spacing unit for the SE¼ SE¼, Section 3, Township 8 South, Range 96 West, 6th P.M., and establishing well density and location rules for the development and production of oil, gas and associated hydrocarbons for the Mancos, Niobrara, Frontier and Mowry Formations.

Order No. 191-91, Docket No. 1110-SP-129, Mamm Creek Field, Garfield County. Applicant, Laramie Energy II, LLC. Approves the request for an order establishing well density and location rules for an approximately 165.25 acre unit located in Sections 29 through 32, Township 7 South, Range 93 West, 6th P.M., Garfield County, for development and production of oil, gas and related hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group.

Order No. 407-510, Docket No. 1110-SP-130, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing an 80-acre drilling and spacing unit within Section 20, Township 7 North, Range 63 West, 6th P.M., Weld County, for development and production of oil, gas and related hydrocarbons from the Codell and Niobrara Formations.

Order No. 535-86, Docket No. 1110-SP-133, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing an approximate 640-acre drilling and spacing unit for Section 5, Township 8 North, Range 59 West, 6th P.M., Weld County, and authorizing up to two horizontal wells, and one or more vertical wells, for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-511, Docket No. 1110-SP-134, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing a 320-acre wellbore spacing unit within Section 18, Township 5 North, Range 63 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-512, Docket No. 1110-SP-135, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing a 320-acre wellbore spacing unit within Section 18, Township 5 North, Range 63 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-486, Docket No. 1110-SP-136, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing a 480-acre wellbore spacing unit and drilling of one horizontal well within Sections 1, 2, 11 and 12, Township 4 North, Range 64 West, 6th P.M., and Sections 6 and 7, Township 4 North, Range 63 West, 6th P.M., Weld County, for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-487, Docket No. 1110-SP-137, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing a 320.684-acre wellbore spacing unit

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in Section 1, Township 4 North, Range 66 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-488, Docket No. 1110-SP-138, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing a 320-acre wellbore spacing unit within Section 8, Township 4 North, Range 64 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-489, Docket No. 1110-SP-139, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing a 320-acre wellbore spacing unit within Section 8, Township 4 North, Range 64 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-490, Docket No. 1110-SP-140, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing an approximate 321.69-acre wellbore spacing unit within Sections 2 and 11, Township 5 North, Range 64 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-491, Docket No. 1110-SP-141, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing a 320-acre wellbore spacing unit within Sections 1 and 12, Township 5 North, Range 64 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-492, Docket No. 1110-SP-142, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing an approximate 399.38-acre wellbore spacing unit within Sections 33 and 34, Township 4 North, Range 66 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-493, Docket No. 1110-SP-143, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing a 320-acre wellbore spacing unit within Section 34, Township 4 North, Range 65 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-494, Docket No. 1110-SP-144, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing a 320-acre wellbore spacing unit within Section 24, Township 3 North, Range 65 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-495, Docket No. 1110-SP-145, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing a 320-acre wellbore spacing unit within Sections 9, and 16, Township 5 North, Range 64 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

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Order No. 407-496, Docket No. 1110-SP-146, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing one 320-acre wellbore spacing unit within Section 24, Township 3 North, Range 65 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-497, Docket No. 1110-SP-148, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing a 480-acre wellbore spacing unit within Sections 3, 4, 9 and 10, Township 4 North, Range 65 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-498, Docket No. 1110-SP-149, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing an approximate 325.59-acre wellbore spacing unit within Section 3, Township 2 North, Range 67 West, 6th P.M., Weld County, and authorizing one horizontal well for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-499, Docket No. 1110-SP-150, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing a 320-acre wellbore spacing unit and authorizing one horizontal well for Sections 20 and 21, Township 4 North, Range 64 West, 6th P.M., Weld County, Colorado, for production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 407-500, Docket No. 1110-SP-151, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order establishing one 320-acre wellbore spacing unit and authorizing one horizontal well for Section 17, Township 4 North, Range 64 West, 6th P.M., Weld County, Colorado, for production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 535-87, Docket No. 1110-SP-152, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to: 1) vacate an existing 640-acre drilling and spacing unit, 2) establish an approximate 320-acre drilling and spacing unit, and 3) allow one horizontal well, and one or more vertical wells to be drilled within the 320-acre drilling and spacing unit for Section 17, Township 8 North, Range 63 West, 6th P.M., Weld County, Colorado, for development and production of gas and related hydrocarbons from the Niobrara Formation.

Order No. 535-88, Docket No. 1110-SP-153, Unnamed Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to: 1) vacate an existing 640-acre drilling and spacing unit, 2) establish one approximate 320-acre drilling and spacing unit, and 3) authorize one horizontal well and one or more vertical wells within the 320-acre drilling and spacing unit in Section 33, Township 8 North, Range 63 West, 6th P.M., Weld County, Colorado, for development and production of gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-502, Docket No. 1109-UP-115, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order pooling all nonconsenting interests in a proposed approximate 320-acre wellbore spacing unit established for the W½ of Section 15, Township 2 North, Range 67 West, 6th P.M. (to accommodate the planned Paradise 4-15HZ Well).

Order No. 535-93, Docket No. 1110-UP-122, Center Pivot Field, Weld County. Applicant, Chesapeake Exploration, LLC. Approves the request for an order pooling all interests in Section

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18, Township 8 North, Range 66 West, 6th P.M., Weld County, Colorado, for the for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 535-94, Docket No. 1110-UP-123, Center Pivot Field, Weld County. Applicant, Chesapeake Exploration, LLC. Approves the request for an order pooling all interests in Section 20, Township 8 North, Range 66 West, 6th P.M., Weld County, Colorado, for the for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 535-95, Docket No. 1110-UP-124, Center Pivot Field, Weld County. Applicant, Chesapeake Exploration, LLC. Approves the request for an order pooling all interests in Section 8, Township 9 North, Range 66 West, 6th P.M., Weld County, Colorado, for the for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 535-96, Docket No. 1110-UP-126, Center Pivot Field, Weld County. Applicant, Chesapeake Exploration, LLC. Approves the request for an order pooling all interests for Section 14, Township 9 North, Range 66 West, 6th P.M., Weld County, Colorado, for the for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 232-298, Docket No. 1110-UP-127, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order pooling all interests within a 160-acre designated wellbore spacing unit in Section 16, Township 2 North, Range 68 West, 6th P.M. Weld County, to accommodate the Cooley 23-16 Well, for development and production of oil, gas and related hydrocarbon from the J-Sand Formation.

Order No. 407-509, Docket No. 1110-UP-128, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order pooling all interests within an 80-acre designated wellbore spacing unit within Section 35, Township 1 North, Range 67 West, 6th P.M. Weld County, to accommodate the Dry Creek 14-35 Well, for development and production of oil, gas and related hydrocarbons from the Codell and Niobrara Formations.

Order No. 407-503, Docket No. 1110-UP-129, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all interests within an 80-acre designated wellbore spacing unit in Section 35, Township 1 North, Range 67 West, 6th P.M. Weld County, to accommodate the Dry Creek 11-35 Well, for development and production of oil, gas and related hydrocarbons from the Codell and Niobrara Formations.

Order No. 407-504, Docket No. 1110-UP-130, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order pooling all interests within a 160-acre designated wellbore spacing unit located in Section 35, Township 1 North, Range 67 West, 6th P.M. Weld County, to accommodate the Dry Creek 22-35 Well, for development and production of oil, gas and related hydrocarbons from the Codell and Niobrara Formations.

Order Nos. 232-299, 407-505; Docket No. 1110-UP-132, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order pooling all interests within a 160-acre designated wellbore spacing unit in Section 35, Township 1 North, Range 67 West, 6th P.M. Weld County, to accommodate the Dry Creek 23-35 Well, for development and production of oil, gas and related hydrocarbons from the Codell, Niobrara and J Sand Formations.

Order Nos. 232-300, 407-506; Docket No. 1110-UP-133, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approved the request for an order pooling all interests within a 160-acre designated wellbore spacing unit in Section 32, Township 2 North, Range 66 West, 6th P.M. Weld County, to accommodate the Fehr 25-32 Well, for development

## RECORD OF PROCEEDINGS

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and production of oil, gas and related hydrocarbons from the Codell, Niobrara and J Sand Formations.

Order Nos. 232-301, 407-507; Docket No. 1110-UP-135, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order pooling all interests within a designated 160-acre wellbore spacing unit in Section 32, Township 2 North, Range 66 West, and Section 5, Township 1 North, Range 66 West, 6th P.M. Weld County, to accommodate the Carter 36-32 Well, for development and production of oil, gas and related hydrocarbons from the Codell, Niobrara and J Sand Formations.

Order No. 407-508, Docket No. 1110-UP-136, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order pooling all interests within a designated 80-acre wellbore spacing unit within Section 20, Township 7 North, Range 63 West, 6th P.M., Weld County, to accommodate the Wilson PC AC20-10 Well, for development and production of oil, gas and related hydrocarbons from the Codell and Niobrara Formations.

FOR THE COLORADO OIL AND GAS  
CONSERVATION COMMISSION

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Peter J. Gowen, Acting Secretary

Approved:

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Tom Compton, Chair