

RECORD OF PROCEEDINGS

December 12, 2011

The Oil and Gas Conservation Commission (“COGCC”) met on December 12, 2011, at the Weld County Administration Building, 1150 O Street, Greeley, 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
Tommy Holton	Commissioner
Jake Matter	Assistant Attorney General
Peter Gowen	Acting Hearings Manager

Absent:

David Neslin	Director
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Approval of Proceedings:

Vice-Chairman Perry Pearce moved to approve the minutes from the October 31, 2011 Commission Hearing. The motion was seconded by Commissioner Benton and approved unanimously.

DNR Executive Director’s Report:

Executive Director King reported on the following:

Director King was pleased to report that discussions concerning the Hydraulic Fracturing Disclosure Rulemaking were going well. Interested parties were working on how to strike a balance between protecting trade secrets and the interests of the public and environmental community.

Director’s Report:

Acting Hearings Manager and Acting Secretary Peter Gowen offered the written December COGCC Staff Report in substitution for an oral staff report by Director Neslin.

Tom Kerr, COGCC Permitting and Technical Services Manager, highlighted some of the permitting statistics contained in the Staff Report.

Peter Gowen noted that Commission Staff (“Staff”) had developed a policy for electronic submittal of directional wellbore surveys and plans. Working with industry, engineering, and regulatory representatives, all directional and horizontal well permits and completion reports will require electronically submitted directional wellbore data. This policy will go into effect on January 1, 2012. This will allow mapping of the entire wellbore path, and provide a more accurate picture of

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where wells are being drilled. This is a Staff policy which does not require Commission approval. However, any Commissioner comments would be welcome.

Commissioner Comments:

Commissioner Compton noted he will be absent from the January hearing. Vice-Chairman Pearce volunteered to chair the January COGCC hearing.

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 Spielman thanked the Weld County Administration for hosting the December 2011 COGCC hearing.

Audience Comments:

Commissioner Compton invited members of the public to address the Commission. There were no comments.

Consent Agenda

The Consent Agenda was considered by the Commission in three 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 recused himself in three matters of Group A (1110-SP-121, 1112-EX-17, and 1112-EX-18) in which his employer, ConocoPhillips, was listed as an interested party. Chairman Compton asked if any Commissioners wanted to have any matter pulled from Group A of the Consent Agenda. No such requests were made.

Chairman Spielman moved for the approval of all Group A applications 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 an approximate 640 acre drilling and spacing unit for Section 15, Township 4 South, Range 64 West 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-125, Unnamed Field, Weld County, Applicant, Carrizo Oil & Gas, Inc. Request for an order establishing an approximate 640-acre drilling and spacing unit for Section 27, Township 10 North, Range 59 West, 6th P.M., and to be allowed to drill up to two horizontal wells in said unit at its option for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Docket No. 1110-SP-147, Wattenberg Field, Weld County, Applicant, Noble Energy, Inc. Request for an order establishing a 320-acre wellbore spacing unit within Section 11, 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 Codell Formation.

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Docket No. 1112-EX-17, Unnamed Field, Arapahoe County, Applicant, Anadarko E & P Company LP. Request for an order to allow: 1) the lateral of a given horizontal well to enter the Niobrara Formation no closer than 300 feet from the section line; 2) the treated interval within the Niobrara Formation to be located not closer than 460 feet from the section line; and 3) the distance between the treated interval of Niobrara wells within the Application Lands shall not be less than 920 feet; for lands in Township 43 South and Ranges 64 and 65 West, 6th P.M.

Docket No. 1112-EX-18, Unnamed Field, Adams County, Applicant, Anadarko E & P Company LP. Request for an order to allow: 1) the lateral of a given horizontal well to enter the Niobrara Formation no closer than 300 feet from the section line; 2) the treated interval within the Niobrara Formation to be located not closer than 460 feet from the section line; and 3) the distance between the treated interval of Niobrara wells within the Application Lands shall not be less than 920 feet; lands in Township 3 South and Ranges 64 and 65 West, 6th P.M.

Docket No. 1112-SP-157, Unnamed Field, Weld County, Applicant, Carrizo Oil & Gas, Inc. Request for an order to: 1) establish three approximate 640-acre drilling and spacing units for Section 32, Township 11 North, Range 57 West, 6th P.M. and Sections 30 and 36, Township 9 North, Range 59 West, 6th P.M.; and 2) approve up to two horizontal wells within each unit, for development of and production from the Niobrara Formation.

Docket No. 1112-SP-158, Unnamed Field, Weld County, Applicant, Chesapeake Exploration, LLC. Request for an order to establish 51 approximate 640-acre drilling and spacing units for lands in Townships 1, 2, and 3 North, Ranges 61, 62 and 63 West, 6th P.M., and approve two horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1112-SP-159, Wattenberg & Unnamed Field, Weld County, Applicant, Continental Resources, Inc. Request for an order to establish: 1) three approximate 1,280-acre drilling and spacing units for lands in Township 2 and 7 North, Ranges 60, 63 and 64 West, 6th P.M.; 2) seven approximate 640-acre drilling units for lands in Townships 1, 6, 7 and 11 North, Ranges 58, 60, 61, 62 and 64 West, 6th P.M.; and 3) approve one horizontal well within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1112-SP-163, Wattenberg Field, Weld County, Applicant, Great Western Oil and Gas Company, LLC. Request for an order to establish two approximate 80-acre drilling and spacing units in Section 26, Township 7 North, Range 65 West, 6th P.M., to accommodate the planned Andrews 26-13, Andrews 26-14, Andrews 26-23, and Andrews 26-24 wells, with well location and density to be in accordance with Rule 318A, for the production of oil, gas and associated hydrocarbons from the Codell, Niobrara and "J" Sand Formations.

Docket No. 1112-SP-164, Wattenberg Field, Weld County, Applicant, Great Western Oil and Gas Company, LLC. Request for an order to establish an approximate 160-acre wellbore spacing unit in Section 26 Township 7 North, Range 65 West, 6th P.M., for the planned Andrews #26-53 well, at a location authorized by Commission Rule 318A, for production of oil, gas and related hydrocarbons from the "J" Sand, Codell, and/or Niobrara Formations.

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The motion was seconded by Commissioner Holton and approved unanimously, with Commissioner Pearce abstaining.

Group B

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. Chairman Compton asked if any Commissioners wanted to have any matter pulled from Group B of the Consent Agenda. Acting Hearings Manager Gowen noted Docket No. 1112-UP-141 was continued to the January hearing at the request of counsel.

Commissioner Pearce moved for the approval of all Group B applications of the Consent Agenda, as recommended by Staff, as follows:

Docket No. 1110-UP-125, Unnamed Field, Weld County, Applicant, Chesapeake Exploration, LLC. Request for an order pooling all interests in the approximate 640-acre drilling and spacing unit established for Section 24, Township 9 North, Range 66 West, 6th P.M. Weld County, Colorado, for the development and operation of the Niobrara Formation.

Docket No. 1112-UP-140, Unnamed Field, Weld County, Applicant, Carrizo Oil & Gas, Inc. Request for an order to pool all interests in the approximate 640-acre drilling and spacing unit established for Section 11, Township 8 North, Range 61 West, 6th P.M., for the development and operation of the Niobrara Formation.

Docket No. 1112-UP-143, Unnamed Field, Weld County, Applicant, Carrizo Oil & Gas, Inc. Request for an order to pool all interests in the approximate 640-acre drilling and spacing unit established for Section 29, Township 7 North, Range 60 West, 6th P.M., for the development and operation of the Niobrara Formation.

Docket No. 1112-UP-149, Unnamed Field, Weld County, Applicant, Chesapeake Exploration, LLC. Request for an order to re-affirm Order No. 535-31, and order the pooling of all interests in the approximate 640-acre drilling and spacing unit established for Section 30, Township 10 North, Range 66 West, 6th P.M., for the development and operation of the Niobrara Formation.

Docket No. 1112-UP-151, Unnamed Field, Weld County, Applicant, Chesapeake Exploration, LLC. Request for an order to pool all interests in the approximate 640-acre drilling and spacing unit established for Section 14, Township 8 North, Range 67 West, 6th P.M., for the development and operation of the Niobrara Formation.

Docket No. 1112-UP-154, Hereford Field, Weld County, Applicant, EOG Resources, Inc. Request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit established for Section 23, Township 11 North, Range 63 West, 6th P.M. (wherein EOG has drilled and completed the Critter Creek #19-23H Well), for the development and operation of the Niobrara Formation.

Docket No. 1112-UP-155, Unnamed Field, Weld County, Applicant, EOG Resources, 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 58 West, 6th P.M. (wherein EOG has drilled and completed the Fiscus Mesa #9-10H Well), for the development and operation of the Niobrara Formation.

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Docket No. 1112-UP-156, Unnamed Field, Weld County, Applicant, EOG Resources, Inc. Request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit established for Section 9, Township 8 North, Range 61 West, 6th P.M. (wherein EOG has drilled and completed the Gravel Draw #9-09H Well), for the development and operation of the Niobrara Formation.

Docket No. 1112-UP-158, Aristocrat Field, Weld County, Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to pool all interests in the approximate 160-acre wellbore spacing unit established for E $\frac{1}{2}$ NE $\frac{1}{4}$, Section 9, and W $\frac{1}{2}$ NW $\frac{1}{4}$ Section 10, Township 3 North, Range 65 West, 6th P.M., for the drilled REI 41-9 Well (API No. 05-123-33496), for the development and operation of the “J” Sand, Codell, and Niobrara Formations.

Docket No. 1112-UP-159, Spindle Field, Weld County, Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to pool all interests in the approximate 160-acre wellbore spacing unit established for the SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and NW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 32 , Township 1 North, Range 67 West, 6th P.M., for the planned Howard 25-32 Well (API No. 05-123-33719), for the development and operation of the “J” Sand, Codell, and Niobrara Formations.

Docket No. 1112-UP-160, Spindle Field, Weld County, Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to pool all interests in the approximate 160-acre wellbore spacing unit established for the S $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, Section 32 , Township 1 North, Range 67 West, 6th P.M., for the planned Howard 24-32 Well (API No. 05-123-33725), for the development and operation of the J-Sand, Codell, and Niobrara Formations.

Docket No. 1112-UP-161, Wattenberg Field, Weld County, Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to pool all interests in the approximate 160-acre wellbore spacing unit established for the NW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 1, and NE $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ E $\frac{1}{4}$, Section 2, Township 2 North, Range 65 West, 6th P.M., for the proposed Dechant 32-1 Well (API No. 05-123-32809), for the development and operation of the Codell and Niobrara Formations.

The motion was seconded by Commissioner Spielman and approved unanimously.

Group C

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. Commissioner Pearce recused himself from Docket No. 1110-UP-165, in which his employer is a successor in interest to Burlington Resources's mineral interests. Chairman Compton asked if any Commissioners wanted to have any matter pulled from Group C of the Consent Agenda. No such requests were made.

Commissioner Alward moved for the approval of all Group C applications of the Consent Agenda, as recommended by Staff, as follows:

Docket No. 1110-UP-139, Wattenberg Field, Weld County, Applicant, Mineral Resources, Inc. Request for an order designating a wellbore spacing unit and to pool all interests in the NW $\frac{1}{4}$, Section 22, Township 5 North, Range 66 West, 6th P.M. Weld County, Colorado, for the development and production of oil, gas, and

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associated hydrocarbons from the Sussex, Codell, Niobrara, J-Sand and Dakota Formations.

Docket No. 1112-UP-164, Wattenberg Field, Weld County, Applicant, Noble Energy Inc. Request for an order to pool all interests in the approximate 160-acre wellbore spacing unit established for the NE $\frac{1}{4}$, Section 15, Township 5 North, Range 65 West, 6th P.M., to accommodate the planned Williams F15-17D Well (API No. 05-123-30577), for the development and operation of the Codell and Niobrara Formations.

Docket No. 1110-UP-165, Wattenberg Field, Weld County, Applicant, RBF Minerals, LLC. Request for an order to pool all interests in the approximate 80-acre wellbore spacing unit established for the N $\frac{1}{2}$ NW $\frac{1}{4}$, Section 22, Township 6 North, Range 67 West, 6th P.M., for the 392 Ventures 21-22D Well (API No. 05-123-33999) and RBF 11-22D Well, for the development and operation of Cretaceous Age Formations.

Docket No. 1112-UP-166, Rush Willadel Field, Washington County, Applicant, Saga Petroleum Corporation. Request for an order to establish an enhanced recovery unit and approve enhanced recovery operations for the W $\frac{1}{2}$ NW $\frac{1}{4}$, Section 25, and Section 26, Township 3 South, Range 51 West, 6th P.M., for the development and operation of the "J" Sand Formation.

Docket No. 1112-UP-167, Wattenberg Field, Weld County, Applicant, Unioil. Request for an order to pool all interests in the approximate 80-acre wellbore spacing unit established for the S $\frac{1}{2}$ SW $\frac{1}{4}$, Section 19, Township 5 North, Range 63 West, 6th P.M., for the Bijou 14-19DU Well (API No. 05-123-31478) and the Bijou 24-19DU Well (API No. 05-123-30394), for the development and operation of the Codell and Niobrara Formations.

Docket No. 1112-UP-168, Wattenberg Field, Weld County, Applicant, Unioil. Request for an order to pool all interests in the approximate 160-acre wellbore spacing unit established for the S $\frac{1}{2}$ SW $\frac{1}{4}$, Section 18, and N $\frac{1}{2}$ NW $\frac{1}{4}$, Section 19, Township 4 North, Range 63 West, 6th P.M., for the Sater 19JU Well (API No. 05-123-28159), for the development and operation of the Codell and Niobrara Formations.

Docket No. 1112-UP-169, Wattenberg Field, Weld County, Applicant, Unioil. Request for an order to pool all interests in the approximate 160-acre wellbore spacing unit established for the SW $\frac{1}{4}$, Section 19, Township 5 North, Range 63 West, 6th P.M., for the Bijou 19BDU Well (API No. 05-123-31472), for the development and operation of the Codell and Niobrara Formations.

Docket No. 1112-UP-170, Wattenberg Field, Weld County, Applicant, Unioil. Request for an order to pool all interests in six wellbore spacing units established in Sections 15, 16, and 17, Township 5 North, Range 67 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations.

The motion was seconded by Commissioner Craig and approved unanimously, with Commissioner Pearce abstaining.

Violation Hearings

Docket No. 1110-OV-31, West Hawk Energy (USA) LLC (Bond Call)

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Acting Hearings Manager Gowen briefed the Commission on the procedural history involving prior COGCC orders against **West Hawk Energy (USA) LLC** (West Hawk). Commissioner Craig asked about the status of the former West Hawk well sites. She also inquired as to whether any of the former directors or principals could be able to operate in Colorado again.

Acting Secretary Gowen noted the Commission passed Order No. 1109-OV-30, finding a pattern of violation against West Hawk and one of its former Officers, effectively preventing both from oil and gas operations in Colorado. Mr. Gowen stated the former West Hawk wells were turned over for reclamation to a third party.

Commissioner Compton asked how the Secretary of State would know if these entities or individuals attempted to operate in Colorado. Mr. Gowen stated the Secretary of State would not receive notice, however, COGCC Staff has added them to the so called "Black List," of unauthorized operators maintained by the COGCC.

Commissioner Benton moved for the approval of the proposed order, as recommended by Staff, as follows:

Cause No. 1V, Docket No. 1110-OV-31, Rio Blanco County, Staff Recommendation. Request for an order calling or foreclosing the \$5,000 financial performance bond posted by the former West Hawk Energy (USA) LLC. Commission Staff has requested that the Commission issue an order calling or foreclosing the remaining West Hawk financial assurance bond for purposes of assisting in the recovery of costs associated with the proper plugging and abandonment of the former West Hawk wells.

The motion was seconded by Commissioner Craig and approved unanimously.

General Hearing Matters

Docket Nos. 1110-UP-137 and 1110-UP-138, Upstream Innovations

Acting Hearings Manager Gowen noted Docket Nos. 1110-UP-137 and 1110-UP-138 were consolidated for hearing purposes and set today for oral arguments on a motion to dismiss. However, a Hearing Officer recommendation suggested consolidating these applications with two January 2012 applications, and the parties requested that the oral argument be continued to January 2012 by consent of the parties. The decision to consolidate these cases with the January applications will be made at a subsequent prehearing conference.

Docket No. 1112-GA-11, Petron Development Company

This is an application by Petron Development Company (Petron) to waive bonding requirements of Rule 706, and have the Commission consider Petron's current \$30,000 bond, the salvage value of wellhead equipment, and its sound balance sheet to satisfy Rule 706.

Petron provided testimony and exhibits in support of the Application by Jim Walker, Secretary / Treasurer for Petron, which included: 1) Copies of Colorado Revised Statute 34-60-106(13) and Rule 706, 2) Written testimony of Jim Walker, 3) Bond Underwriter email, 4) Current Bond Premium Statement, 5) Profit & Loss Statements, and 6) Plugging Cost Summary. These materials were submitted in a package offered to the Commissioners, and admitted without objection. Ken Wonstolen, Petron's counsel argued that Rule 706, which requires an operator to **"provide financial assurance"** was in conflict with C.R.S. 34-60-106(13) requiring "every operator **to provide assurance that it is financially capable** of fulfilling any obligation." Petron further

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argued that the statute allowed an operator to provide “assurance” by means other than the posting of a financial security or cash collateral.

Written testimony was submitted in opposition to the Application by Thom Kerr, COGCC Permit and Technical Services Manager, included a Staff Position Letter, dated December 2, 2011. This memo was admitted without objection. In summary, Staff objected to the variance for the following reasons: 1) financial assurance rules were increased three years ago because prior amounts were deemed to be insufficient; 2) dividing Petron’s \$30,000 bond into the 111 wells in which it is listed as the operator, results in only \$270 of bonding assurance per well; 3) the COGCC is not a market operator, therefore, when it is required to undertake plugging and reclamation operations, its ability to obtain cost competitive services is limited; 4) Petron has operated 43 production pits which could incur significant costs to reclaim properly. Staff testified that surety bonds, certificates of deposit, and cash equivalents are currently accepted for financial assurance. Staff noted that the Commission previously directed Staff not to accept a guarantee of performance pursuant to 34-60-106 (13)(a) C.R.S., unless otherwise approved by the Commission. Staff further testified that letters of credit are generally not accepted, based on past frustrations in attempting to foreclose or call such instruments

In lieu of a permanent variance to Rule 706, Petron asked the Commission to consider a temporary variance, subject to periodic review of its operations and/or market conditions of the financial bond market.

Commissioner Benton moved to deny the request for a variance, as recommended by Staff. The motion to deny the request was seconded by Commissioner King. Docket No. 1112-GA-11, a request by Petron for a variance from the financial assurance requirement of Rule 706, was denied by a Commission vote of 8 to 1. Commissioner Holton voted in opposition to the Motion. All others voted in favor of the Motion.

The Commission directed Staff to evaluate alternative means of satisfying financial assurance mandates of Section 34-60-106 (13) C.R.S. and the 700 Series rules, beyond use of surety bonds and certificates of deposits, and consider such alternatives on a case by case basis.

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. 535-98, Docket No. 1110-SP-121, Unnamed Field, Arapahoe County, Applicant, Anadarko E & P Company LP. Approves the request for an order establishing an approximate 640 acre drilling and spacing unit for Section 15, Township 4 South, Range 64 West 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 535-99, Docket No. 1110-SP-125, Unnamed Field, Weld County, Applicant, Carrizo Oil & Gas, Inc. Approves the request for an order establishing an approximate 640-acre drilling and spacing unit for Section 27, Township 10 North, Range 59 West, 6th P.M., and to be allowed to drill up to two horizontal wells in said unit at its option for development and production of oil, gas and related hydrocarbons from the Niobrara Formation.

Order No. 407-513, Docket No. 1110-SP-147, Wattenberg Field, Weld County, Applicant, Noble Energy, Inc. Approves the request for an order establishing a 320-acre wellbore spacing unit within Section 11, Township 3 North, Range 65 West, 6th P.M., Weld County, and

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

Order No. 535-100, Docket No. 1112-EX-17, Unnamed Field, Arapahoe County, Applicant, Anadarko E & P Company LP. Approves the request for an order to allow: 1) the lateral of a given horizontal well to enter the Niobrara Formation no closer than 300 feet from the section line; 2) the treated interval within the Niobrara Formation to be located not closer than 460 feet from the section line; and 3) the distance between the treated interval of Niobrara wells within the Application Lands shall not be less than 920 feet; for lands in Township 43 South and Ranges 64 and 65 West, 6th P.M.

Order No. 535-101, Docket No. 1112-EX-18, Unnamed Field, Adams County, Applicant, Anadarko E & P Company LP. Approves the request for an order to allow: 1) the lateral of a given horizontal well to enter the Niobrara Formation no closer than 300 feet from the section line; 2) the treated interval within the Niobrara Formation to be located not closer than 460 feet from the section line; and 3) the distance between the treated interval of Niobrara wells within the Application Lands shall not be less than 920 feet; lands in Township 3 South and Ranges 64 and 65 West, 6th P.M.

Order No. 535-102, Docket No. 1112-SP-157, Unnamed Field, Weld County, Applicant, Carrizo Oil & Gas, Inc. Approves the request for an order to: 1) establish three approximate 640-acre drilling and spacing units for Section 32, Township 11 North, Range 57 West, 6th P.M. and Sections 30 and 36, Township 9 North, Range 59 West, 6th P.M.; and 2) approve up to two horizontal wells within each unit, for development of and production from the Niobrara Formation.

Order Nos. 407-528 and 535-103, Docket No. 1112-SP-158, Unnamed Field, Weld County, Applicant, Chesapeake Exploration, LLC. Approves the request for an order to establish 51 approximate 640-acre drilling and spacing units for lands in Townships 1, 2, and 3 North, Ranges 61, 62 and 63 West, 6th P.M., and approve two horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order Nos. 407-514 and 535-104, Docket No. 1112-SP-159, Wattenberg & Unnamed Field, Weld County, Applicant, Continental Resources, Inc. Approves the request for an order to establish: 1) three approximate 1,280-acre drilling and spacing units for lands in Township 2 and 7 North, Ranges 60, 63 and 64 West, 6th P.M.; 2) seven approximate 640-acre drilling units for lands in Townships 1, 6, 7 and 11 North, Ranges 58, 60, 61, 62 and 64 West, 6th P.M.; and 3) approve one horizontal well within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order Nos. 232-302 and 407-515, Docket No. 1112-SP-163, Wattenberg Field, Weld County, Applicant, Great Western Oil and Gas Company, LLC. Approves the request for an order to establish two approximate 80-acre drilling and spacing units in Section 26, Township 7 North, Range 65 West, 6th P.M., to accommodate the planned Andrews #26-13, Andrews #26-14, Andrews #26-23, and Andrews #26-24 wells, with well location and density to be in accordance with Rule 318A, for the production of oil, gas and associated hydrocarbons from the Codell, Niobrara and "J" Sand Formations.

Order Nos. 232-303 and 407-516, Docket No. 1112-SP-164, Wattenberg Field, Weld County, Applicant, Great Western Oil and Gas Company, LLC. Approves the request for an order to establish an approximate 160-acre wellbore spacing unit in Section 26 Township 7 North, Range 65 West, 6th P.M., to accommodate the planned Andrews #26-53 well, at a location

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authorized by Commission Rule 318A, for production of oil, gas and related hydrocarbons from the “J” Sand, Codell, and/or Niobrara Formations.

Order No. 535-105, Docket No. 1110-UP-125, Unnamed Field, Weld County, Applicant, Chesapeake Exploration, LLC. Approves the request for an order pooling all interests the approximate 640-acre drilling and spacing unit established for Section 24, Township 9 North, Range 66 West, 6th P.M. Weld County, Colorado, for the development and operation of the Niobrara Formation.

Order No. 535-106, Docket No. 1112-UP-140, Unnamed Field, Weld County, Applicant, Carrizo Oil & Gas, Inc. Approves the request for an order to pool all interests in the approximate 640-acre drilling and spacing unit established for Section 11, Township 8 North, Range 61 West, 6th P.M., for the development and operation of the Niobrara Formation.

Order No. 535-107, Docket No. 1112-UP-143, Unnamed Field, Weld County, Applicant, Carrizo Oil & Gas, Inc. Approves the request for an order to pool all interests in the approximate 640-acre drilling and spacing unit established for Section 29, Township 7 North, Range 60 West, 6th P.M., for the development and operation of the Niobrara Formation.

Order No. 535-108, Docket No. 1112-UP-149, Unnamed Field, Weld County, Applicant, Chesapeake Exploration, LLC. Approves the request for an order to re-affirm Order No. 535-31, and order the pooling of all interests in the approximate 640-acre drilling and spacing unit established for Section 30, Township 10 North, Range 66 West, 6th P.M., for the development and operation of the Niobrara Formation.

Order No. 535-109, Docket No. 1112-UP-151, Unnamed Field, Weld County, Applicant, Chesapeake Exploration, LLC. Approves the request for an order to pool all interests in the approximate 640-acre drilling and spacing unit established for Section 14, Township 8 North, Range 67 West, 6th P.M., for the development and operation of the Niobrara Formation.

Order No. 421-13, Docket No. 1112-UP-154, Hereford Field, Weld County, Applicant, EOG Resources, Inc. Approves the request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit established for Section 23, Township 11 North, Range 63 West, 6th P.M. (wherein EOG has drilled and completed the Critter Creek #19-23H Well), for the development and operation of the Niobrara Formation.

Order No. 535-110, Docket No. 1112-UP-155, Unnamed Field, Weld County, Applicant, EOG Resources, 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 58 West, 6th P.M. (wherein EOG has drilled and completed the Fiscus Mesa #9-10H Well), for the development and operation of the Niobrara Formation.

Order No. 535-111, Docket No. 1112-UP-156, Unnamed Field, Weld County, Applicant, EOG Resources, Inc. Approves the request for an order to pool all nonconsenting interests in the approximate 640-acre drilling and spacing unit established for Section 9, Township 8 North, Range 61 West, 6th P.M. (wherein EOG has drilled and completed the Gravel Draw #9-09H Well), for the development and operation of the Niobrara Formation.

Order Nos. 232-307 and 407-517, Docket No. 1112-UP-158, Aristocrat Field, Weld County, Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all interests in the approximate 160-acre wellbore spacing unit established for E $\frac{1}{2}$ NE $\frac{1}{4}$, Section 9, and W $\frac{1}{2}$ NW $\frac{1}{4}$ Section 10, Township 3 North, Range 65 West, 6th P.M., for the drilled REI

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41-9 Well (API No. 05-123-33496), for the development and operation of the “J” Sand, Codell, and Niobrara Formations.

Order Nos. 232-304 and 407-518, Docket No. 1112-UP-159, Spindle Field, Weld County, Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all interests in the approximate 160-acre wellbore spacing unit established for the SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and NW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 32, Township 1 North, Range 67 West, 6th P.M., for the planned Howard 25-32 Well (API No. 05-123-33719), for the development and operation of the “J” Sand, Codell, and Niobrara Formations.

Order Nos. 232-305 and 407-519, Docket No. 1112-UP-160, Spindle Field, Weld County, Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all interests in the approximate 160-acre wellbore spacing unit established for the S $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, Section 32, Township 1 North, Range 67 West, 6th P.M., for the planned Howard 24-32 Well (API No. 05-123-33725), for the development and operation of the J-Sand, Codell, and Niobrara Formations.

Order No. 407-520, Docket No. 1112-UP-161, Wattenberg Field, Weld County, Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all interests in the approximate 160-acre wellbore spacing unit established for the NW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 1, and NE $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ E $\frac{1}{4}$, Section 2, Township 2 North, Range 65 West, 6th P.M., for the proposed Dechant 32-1 Well (API No. 05-123-32809), for the development and operation of the Codell and Niobrara Formations.

Order Nos. 407-521, 232-308, 493-47, and 499-82, Docket No. 1110-UP-139, Wattenberg Field, Weld County, Applicant, Mineral Resources, Inc. Approves the request for an order designating a wellbore spacing unit and to pool all interests in the NW $\frac{1}{4}$, Section 22, Township 5 North, Range 66 West, 6th P.M. Weld County, Colorado, for the development and production of oil, gas, and associated hydrocarbons from the Sussex, Codell, Niobrara, J-Sand and Dakota Formations.

Order No. 407-522, Docket No. 1112-UP-164, Wattenberg Field, Weld County, Applicant, Noble Energy Inc. Approves the request for an order to pool all interests in the approximate 160-acre wellbore spacing unit established for the NE $\frac{1}{4}$, Section 15, Township 5 North, Range 65 West, 6th P.M., the planned Williams F15-17D Well (API No. 05-123-30577), for the development and operation of the Codell and Niobrara Formations.

Order No. 407-523, Docket No. 1110-UP-165, Wattenberg Field, Weld County, Applicant, RBF Minerals, LLC. Approves the request for an order to pool all interests in the approximate 80-acre wellbore spacing unit established for the N $\frac{1}{2}$ NW $\frac{1}{4}$, Section 22, Township 6 North, Range 67 West, 6th P.M., for the 392 Ventures 21-22D Well (API No. 05-123-33999) and RBF 11-22D Well, for the development and operation of Cretaceous Age Formations.

Order Nos. 232-306 and 526-2, Docket No. 1112-UP-166, Rush Willadel Field, Washington County, Applicant, Saga Petroleum Corporation. Approves the request for an order to establish an enhanced recovery unit and approve enhanced recovery operations for the W $\frac{1}{2}$ NW $\frac{1}{4}$, Section 25, and Section 26, Township 3 South, Range 51 West, 6th P.M., for the development and operation of the “J” Sand Formation.

Order No. 407-524, Docket No. 1112-UP-167, Wattenberg Field, Weld County, Applicant, Unioil. Approves the request for an order to pool all interests in the approximate 80-acre wellbore spacing unit established for the S $\frac{1}{2}$ SW $\frac{1}{4}$, Section 19, Township 5 North, Range 63 West, 6th P.M., for the Bijou 14-19DU Well (API No. 05-123-31478) and the Bijou 24-19DU

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Well (API No. 05-123-30394), for the development and operation of the Codell and Niobrara Formations.

Order No. 407-525, Docket No. 1112-UP-168, Wattenberg Field, Weld County, Applicant, Unioil. Approves the request for an order to pool all interests in the approximate 160-acre wellbore spacing unit established for the S½ SW¼ , Section 18, and N½ NW¼, Section 19, Township 4 North, Range 63 West, 6th P.M., for the Sater 19JU Well (API No. 05-123-28159), for the development and operation of the Codell and Niobrara Formations.

Order No. 407-526, Docket No. 1112-UP-169, Wattenberg Field, Weld County, Applicant, Unioil. Approves the request for an order to pool all interests in the approximate 160-acre wellbore spacing unit established for the SW¼, Section 19, Township 5 North, Range 63 West, 6th P.M., for the Bijou 19BDU Well (API No. 05-123-31472), for the development and operation of the Codell and Niobrara Formations.

Order No. 407-527, Docket No. 1112-UP-170, Wattenberg Field, Weld County, Applicant, Unioil. Approves the request for an order to pool all interests in six wellbore spacing units established in Sections 15, 16, and 17, Township 5 North, Range 67 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations.

Order No. 1V-386, Docket No. 1110-OV-31, Rio Blanco County, Staff Recommendation. Approves the request for an order finding violation against West Hawk Energy (USA) LLC. Commission Staff has requested that the Commission issue an order calling or foreclosing the remaining West Hawk financial assurance bond for purposes of assisting in the recovery of costs associated with the proper plugging and abandonment of the former West Hawk wells.

Order No. 1-170, Docket No. 1112-GA-11, Statewide, Applicant, Petron Development Company. Denies the request for an order granting a variance from the financial assurance requirement of Rule 706. of posting a financial assurance blanket bond of \$100,000, for over 100 wells.

FOR THE COLORADO OIL AND GAS
CONSERVATION COMMISSION

Peter J. Gowen, Acting Secretary

Approved:

Perry Pearce, Vice-Chair