

RECORD OF PROCEEDINGS

March 5, 2012

The Oil and Gas Conservation Commission ("COGCC") met on March 5, 2012, at the COGCC Office, 1120 Lincoln Street, Suite 801, Denver, Colorado.

Roll Call of Commissioners:

Present:

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

Absent:

None

Approval of Proceedings:

Commissioner Benton moved for the approval of the minutes of the January 23, 2012 meeting. The motion was seconded by Vice Chair Pearce and approved unanimously.

DNR Executive Director's Report:

Executive Director King reported on the following:

- 1) Governor John Hickenlooper recently issued Executive Order B 2012-002, creating the Task Force on Cooperative Strategies Regarding State and Local Regulation of Oil and Gas Development. Friday, March 9 is the first meeting of the Task Force, which will include two Commissioners representing the COGCC. Director King had been monitoring the appointments to the task force and believed the Task Force could use delegates representing Weld County, the conservation community, and the Western Slope. He suggested that Commissioners Spielman and Holton and Chairman Compton consider serving as delegates, understanding that the Task Force would be a great commitment and likely cumbersome for Chairman Compton. The Task Force has been asked to meet weekly and to issue a final report by April 18, 2012.
- 2) The Parks and Wildlife Commission was in the process of being created.
- 3) The statewide roundtable summit convened on March 1, 2012. The impact of water use in energy development continued to be at the forefront of water discussions. The State Engineer will be creating a database to see what water is available, where it is located, and how it can be distributed.
- 4) DNR will be advertising the COGCC Director position in the next week or so. It will remain open for two weeks.

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The Commission then discussed the Task Force. Vice Chair Pearce moved to appoint the recommended candidates, Commissioners Spellman and Holton, to the Task Force. Commissioner Alward seconded the motion, which was approved unanimously.

Director's Report:

Acting Director Kerr 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 June 1, 2012, at 10:00 am. The venue will be announced through a release of the agenda for the June meeting.
- Gas and Oil Regulatory Team (GORT) Meeting: The next GORT/Southwest Colorado Oil and Gas Stakeholders meeting is scheduled for April 19, 2012, at the La Plata County Fairgrounds in Durango, Colorado.
- Fruitland Formation Outcrop Mitigation and Monitoring Projects (4M Projects): *Fruitland Formation Outcrop - 4M Pilot Scale Mitigation Projects La Plata County*. The South Fork Texas Creek (SFTC) Mitigation system continued operation at approximately 11 Kilowatts (kW) power generation. From January 6, 2012, through February 3, 2012, it operated approximately 99% of the time. Approximately 3.3 kW of power is returned to the grid at this operating rate. Gas continues to be collected and vented at the Pine River Ranches (PRR) location. Methane concentrations currently average 99% at SFTC and less than 1% at PRR. Operations & Maintenance activities are continuing.
- *4M Monitoring Wells La Plata and Archuleta Counties*. There are 17 wells at 11 locations in the COGCC 4M monitoring program. Well pressures are monitored remotely via satellite telemetry with one or two maintenance visits per year, depending upon data received. A surface use agreement that allowed access to the Beaver Creek Ranch locations was not renewed by the landowner and access to this site is currently restricted. COGCC Staff are evaluating other potential access routes and are assessing the potential need to plug and abandon the wells should reliable access not be obtained. Discussions are ongoing. The next sampling date is scheduled for April 2012.
- E&P Waste Disposal Options. COGCC Staff recently identified numerous incidents involving the improper management of tank bottoms in northeast Colorado. Operators are reminded that tank bottoms, workover fluids, pigging wastes from gathering and flow-lines, and natural gas gathering, processing, and storage wastes are considered —Other E&P Wastell and must be managed in accordance with Rule 907.f., which states that these types of wastes may be treated or disposed. Neither the use of tank bottoms or other oily waste for stabilizing sandy or loose soils nor the intentional dumping of tank bottoms or other oily waste, which results in an impact to site soils, are acceptable land treatment alternatives.
- Baseline Water Quality Sampling. COGCC environmental Staff responded to, or are in the process of responding to, requests for baseline water quality sampling in Elbert, Douglas, Rio Grande, and Weld Counties. Preliminary assessment of data indicates that water quality is good. Three of the 26 sampled wells contained methane concentrations sufficient for isotopic analysis. These analytical results are pending. A written report summarizing the results of the analyses of baseline water sampling in Elbert and Douglas Counties from the Dawson and Denver aquifers will be prepared. This report will include a compilation of analytical and isotopic results.

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- Methane Investigation Monitoring, and Mitigation Plan (MIMMP) - Huerfano County. Petroglyph Energy Inc. (PEI) has completed plugging its CBM wells in Huerfano County. PEI shut down operations of the Phase 2 reinjection system in September 2011. PEI submitted a quarterly report on monitoring and activities conducted since the Commission adopted Order 1C-8 at the September 2011 hearing. The concentration of methane venting from several of the monitored water wells increased in comparison to the trends seen prior to the cessation of Phase 2 operations.
- In October 2011, 3 of the COGCC Staff engineers took the petroleum engineering Professional Engineering Exam. With their experience and a passing grade, Ryan Hollinshead, Kevin King and Dirk Sutphin have become Professional Engineers. This means that 8 of the 9 COGCC engineers are registered Colorado Professional Engineers.
- Randy Edelen has been hired to fill the open NE field inspector position and will report to Jim Precup. Randy has an engineering degree from Colorado School of Mines and nearly 20 years of experience in drilling, operations and completion work. He has been part of the permitting technical services group for the COGCC since 2009. His drilling and completion back-ground, plus knowledge of COGCC systems, will make him a valuable asset for the field inspection unit.
- After 17 years with the COGCC, Debbie Baldwin, Environmental Manager, retired at the end of February. Debbie started out as an Environmental Protection Specialist, then rose to Environmental Supervisor, and in 2006 became Manager. Her extensive knowledge of both the industry and the COGCC will be missed. Effective March 1, Karen Spray is Acting Environmental Manager during the transition period.
- *Planning/Administration/Other.* Consultations with the Colorado Division of Wildlife and the Colorado Department of Public Health and Environment are being done pursuant to Rule 306.c.(1) and pursuant to the 1200-series rules.
- *Public Outreach.* Staff was active in public outreach efforts since the last Commission hearing. Linda Spry O'Rourke, Steve Lindblom, Greg Deranleau, Denise Onyskiw, Dave Neslin, Thom Kerr, Mike Leonard, Stuart Ellsworth, Bob Chesson, Debbie Baldwin, Jim Milne, Kris Neidel, Margaret Ash and others participated in community meetings regarding oil and gas development in the state.
- How Well do you Know Your Water Well, the brochure, has been updated and revised, and an electronic version is available in the Library section of the COGCC website.
- *Variances.* On November 4, 2011, Encana Oil & Gas (USA) Inc. attempted a mechanical integrity test ("MIT") to maintain the shut-in status of the O'Connell #34-4C (D34SE) Well. They were unable to do so and asked for a variance so that they could repair the well in order to be able to complete a MIT. The variance request was approved on January 23, 2012.
- *Monthly Permit Activity.* The backlog of monthly permit applications is being reduced. The processing time for a permit application is now below or at the 30-day mark. Weld and Garfield County continue to have the most drilling activity in the state, and the percentage of horizontal well applications has increased to 23.9% so far in 2012 from 18.2% in 2011.

Commissioner Comments:

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Commissioner Spielman stated that he was looking forward to working with Acting Director Kerr.

Commissioner Spielman stated that as a delegate on the Governor's Task Force, he would contribute on a statewide basis, taking into account West Slope interests. Commissioner Benton thanked Commissioner Spielman for those comments.

Audience Comments:

There were no audience comments.

Consent Agenda

With 35 matters listed for the Consent Agenda, Chairman Compton suggested that the Commission consider the matters in five groups, as organized by Staff.

Group A

Chairman Compton asked if any Commissioners had a conflict of interest or recusals with any of the items within Group A of the Consent Agenda. 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.

Chairman Compton requested further information on Docket No. 1203-SP-35 regarding a request for the Commission to approve "one or more horizontal wells" within a unit, and wondered if there was a limit to the numbers of wells that could then be drilled? Jamie Jost of Beatty & Wozniak spoke on behalf of Noble Energy, Inc.'s request, clarifying that there are presently three vertical wells in the unit completed in the J Sand Formation and one vertical well completed in the Codell and Niobrara Formations. An unlimited number of horizontal wells is being requested because Noble does not yet know what number of wells is necessary to economically and efficiently recover the resource. Chairman Compton had no further questions.

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

Docket No. 1203-SP-27, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order to establish an approximate 160-acre drilling and spacing unit consisting of the NE¼ of Section 18, Township 6 North, Range 62 West, 6th P.M., to accommodate the drilled Wells Ranch AE18-17 Well (API No. 05-123-33224), for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Docket No. 1203-SP-28, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order to establish an approximate 320-acre wellbore spacing unit consisting of the N½ of Section 11, Township 4 North, range 65 West, 6th P.M., and approve one horizontal well to accommodate the drilled Hanscome G11-99HZ Well (API No. 05-123-32244), for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Docket No. 1203-SP-29, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order to establish an approximate 320-acre wellbore spacing unit consisting of the W½ of Section 31, Township 3 North, Range 67 West, 6th P.M., and approve one horizontal well to accommodate the drilled Varra P31-76HN Well (API

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No. 05-123-33668), for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Docket No. 1203-SP-30, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order to: 1) establish an approximate 320-acre wellbore spacing unit consisting of certain lands in Sections 25 and 36, Township 6 North, Range 64 West, 6th P.M., and approve one horizontal well to accommodate the drilled Scholfield State A36-69HN Well (API No. 05-123-33320), for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Docket No. 1203-SP-31, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order to establish an approximate 318.24-acre wellbore spacing unit consisting of the E½ W½, W½ E½ of Section 31, Township 3 North, Range 67 West, 6th P.M., and approve one horizontal well to accommodate the drilled Varra P31-74HN Well (API No. 05-123-33675), for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Docket No. 1203-SP-33, Unnamed Field, Weld County. Applicant, Noble Energy, Inc. Request for an order to establish an approximate 640-acre drilling and spacing unit consisting of Section 19, Township 10 North, Range 61 West 6th P.M., and approve one or more horizontal wells within said unit, as necessary to economically and efficiently recover the oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Docket No. 1203-SP-35, Unnamed Field, Weld County. Applicant, Noble Energy, Inc. Request for an order to establish an approximate 640-acre drilling and spacing unit consisting of Section 2, Township 11 North, Range 61 West 6th P.M., and approve one or more horizontal wells within said unit, as necessary to economically and efficiently recover the oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

The motion was seconded by Commissioner Holton and approved unanimously.

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. Vice Chair Pearce requested that he be recused from consideration and discussion of Docket No. 1203-SP-21 in which his employer, ConocoPhillips, was listed as applicant. Docket No. 1203-SP-21 was pulled from Group B of the Consent Agenda.

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

Docket No. 1203-SP-19, Unnamed Field, Weld County. Applicant, Chesapeake Exploration, LLC. Request for an order to establish an approximate 640-acre exploratory drilling and spacing unit consisting of Section 14, Township 3 North, Range 61 West, 6th P.M., and authorize a horizontal well within the proposed exploratory unit, for the production of oil, gas and associated hydrocarbons from the Greenhorn Formation.

Docket No. 1203-SP-20, Unnamed Field, Weld County. Applicant, Condor Energy Technology LLC. Request for an order to establish three approximate 640-acre

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exploratory drilling and spacing units consisting of Sections 19, 31 and 32, Township 7 North, Range 59 West, 6th P.M., and authorize up to two horizontal wells in each proposed exploratory unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1203-SP-22, Unnamed Field, Routt County. Applicant, Continental Resources, Inc. Request for an order to establish an approximate 640-acre drilling and spacing unit consisting of Section 11, Township 6 North, Range 87 West, 6th P.M., and authorize a horizontal well within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1203-SP-26, Unnamed Field, Weld County. Applicant, Marathon Oil Company. Request for an order to establish eight approximate 640-acre drilling and spacing units consisting of Section 36, Township 8 North, Range 59 West, 6th P.M., Sections 4 and 28, Township 8 North, Range 64 West, 6th P.M., Sections 20 and 28, Township 8 North, Range 65 West, 6th P.M., Section 16, Township 8 North, Range 67 West, 6th P.M., Section 15, Township 9 North, Range 63 West, 6th P.M., and Section 28, Township 9 North, Range 64 West, 6th P.M., and authorize a horizontal well within each proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1203-SP-36, Unnamed Field, Weld County. Applicant, Whiting Oil & Gas Corp. Request for an order to establish three approximate 960-acre drilling and spacing units consisting of certain lands in Sections 2, 11, 14, 20 and 29, Township 10 North, Range 58 West, 6th P.M., and approve up to four horizontal wells within each unit, as necessary to economically and efficiently recover the oil, gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1203-SP-37, Unnamed Field, Weld County. Applicant, Whiting Oil & Gas Corp. Request for an order to establish an approximate 960-acre drilling and spacing unit consisting of certain lands in Sections 24 and 25, Township 10 North, Range 60 West, 6th P.M., and approve up to four horizontal wells within the unit, as necessary to economically and efficiently recover the oil, gas and associated hydrocarbons from the Niobrara Formation.

The motion was seconded by Commissioner Holton and approved unanimously.

Commissioner Spielman moved for the approval of Docket No. 1203-SP-21 of the Consent Agenda, as recommended by Staff, as follows:

Docket No. 1203-SP-21, Unnamed Field, Arapahoe County. Applicant, ConocoPhillips Company. Request for an order to establish 14 approximate 640-acre drilling and spacing units consisting of Sections 29, 34 and 35 of Township 4 South, Range 64 West, 6th P.M., Sections 1, 3, 4, 14, 23, 24, 25 and 36 of Township 5 South, Range 64 West, 6th P.M., and Sections 18, 19 and 30 of Township 5 South, Range 63 West, 6th P.M., and authorize a horizontal well with the option to drill a second horizontal well in each proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

The motion was seconded by Commissioner Benton and approved unanimously, with Vice Chair Pearce abstaining.

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 B of the Consent Agenda. Commissioner Spielman recused himself from consideration and discussion of Docket No. 1203-UP-54, as his firm has represented the applicant, Antero Resources Piceance Corporation, in past matters. Docket No. 1203-UP-54 was pulled from Group C of the Consent Agenda.

Vice Chair Pearce moved for the approval of all remaining Group C applications of the Consent Agenda, as recommended by Staff, as follows:

Docket No. 1201-UP-49, Wattenberg Field, Weld County. Applicant, Petroleum Development Corporation. Request for an order to pool all interests in ten wellbore spacing units consisting of certain lands in Section 10, Township 5 North, Range 67 West 6th P.M., to accommodate ten wells, for the development and operation of the Codell and Niobrara Formations. Continued from the January hearing.

Docket No. 1203-UP-55, Unnamed Field, Weld County. Applicant, Condor Energy Technology LLC. Request for an order to pool all interests in an approximate 640-acre exploratory drilling and spacing unit consisting of Section 19, Township 7 North, Range 59 West, 6th P.M., for the development and operation of the Niobrara Formation. Approval of this pooling application is contingent upon approval of the concurrent application, Docket No. 1203-SP-20.

Docket No. 1203-UP-56, Unnamed Field, Weld County. Applicant, Condor Energy Technology LLC. Request for an order to pool all interests in an approximate 640-acre exploratory drilling and spacing unit consisting of Section 31, Township 7 North, Range 59 West, 6th P.M., for the development and operation of the Niobrara Formation. Approval of this pooling application is contingent upon approval of the concurrent application, Docket No. 1203-SP-20.

Docket No. 1203-UP-57, Unnamed Field, Weld County. Applicant, Condor Energy Technology LLC. Request for an order to pool all interests in an approximate 640-acre exploratory drilling and spacing unit consisting of Section 32, Township 7 North, Range 59 West, 6th P.M., for the development and operation of the Niobrara Formation. Approval of this pooling application is contingent upon approval of the concurrent application, Docket No. 1203-SP-20.

Docket No. 1203-UP-58, Unnamed Field, Routt County. Applicant, Continental Resources, Inc. Request for an order to pool all interests in an approximate 640-acre drilling and spacing unit consisting of Section 11, Township 6 North, Range 87 West, 6th P.M., for the drilling of the proposed Peltier 1-11H Well, for the development and operation of the Niobrara Formation. Approval of this pooling application is contingent upon approval of the concurrent application, Docket No. 1203-SP-22.

Docket No. 1203-UP-69, Wattenberg Field, Weld County. Applicant, Petroleum Development Corporation d/b/a PDC Energy. Request for an order to pool all interests in one approximate 160-acre drilling and spacing unit consisting of certain lands in Sections 15 and 22, Township 5 North, Range 64 West, 6th P.M., for the drilling of the Bauer Debus 22JD Well (API No. 05-123-31869), for the development and operation of the Codell and Niobrara Formations.

Docket No. 1203-UP-70, Wattenberg Field, Weld County. Applicant, Petroleum Development Corporation d/b/a PDC Energy. Request for an order to pool all interests

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in one approximate 160-acre designated wellbore spacing unit consisting of certain lands in Sections 7 and 18, Township 6 North, Range 66 West, 6th P.M., for the drilling of the Schaefer 7TD Well, for the development and operation of the Codell and Niobrara Formations.

Docket No. 1203-UP-72, Wattenberg Field, Weld County. Applicant, Unioil. Request for an order to pool all interests not voluntarily pooled in five spacing units consisting of certain lands in Section 15, Township 5 North, Range 67 West, 6th P.M., for the proposed Edwards 21-15U Well, Edwards 15A-DU Well, Edwards 11-15DU Well, Edwards 22-15DU Well, and the Edwards 12-15DU Well, for the development and operation of the Codell and Niobrara Formations.

The motion was seconded by Commissioner Holton and approved unanimously.

Vice Chair Pearce moved for the approval of Docket No. 1203-UP-54 of the Consent Agenda, as recommended by Staff, as follows:

Docket No. 1203-UP-54, Mamm Creek Field, Garfield County. Applicant, Antero Resources Piceance Corporation. Request for an order to pool all interests in an approximate 160-acre drilling and spacing unit consisting of the SW¼ of Section 16, Township 6 South, Range 92 West, 6th P.M., to accommodate the drilled Burckle A11 Well (API No. 05-045-14516), for the development and operation of the Williams Fork and Iles Formations.

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

Group D

Acting Hearings Manager Peter Gowen reported that Docket No. 1112-UP-162 had been continued at the last minute at the request of Kerr-McGee Oil & Gas Onshore through its attorneys. Further, Docket No. 1201-UP-31 had been pulled from the Consent Agenda for separate consideration because of a change that needs to be made to the Draft Order for Commissioner approval.

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 remaining Group D applications of the Consent Agenda, as recommended by Staff, as follows:

Docket No. 1201-UP-10, Unnamed Field, Weld County. Applicant, Chesapeake Exploration, LLC. Request for an order to pool all interests in an approximate 640-acre horizontal drilling and spacing unit consisting of Section 2, Township 8 North, Range 66 West, 6th P.M., for the development and operation of the Niobrara Formation. Continued from the January hearing.

Docket No. 1201-UP-11, Unnamed Field, Weld County. Applicant, Chesapeake Exploration, LLC. Request for an order to pool all interests in an approximate 640-acre horizontal drilling and spacing unit consisting of Section 12, Township 8 North,

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Range 66 West, 6th P.M., for the development and operation of the Niobrara Formation. Continued from the January hearing.

Docket No. 1203-UP-59, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to pool all interests in an approximate 160-acre designated wellbore spacing unit consisting of certain lands in Section 2, Township 1 North, Range 66 West, 6th P.M., for the drilling of the permitted Highway 160 24-2 Well (API # 05-123-31687), for the development and operation of the Codell, Niobrara and "J" Sand Formations.

Docket No. 1203-UP-60, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to pool all interests in an approximate 160-acre designated wellbore spacing unit consisting of certain lands in Sections 8, 9, 16 and 17, Township 2 North, Range 65 West, 6th P.M., for the drilling of the permitted Dechant 38-8 Well (API # 05-123-33012), for the development and operation of the Codell, Niobrara and "J" Sand Formations.

Docket No. 1203-UP-61, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to pool all interests in six approximate 160-acre designated wellbore spacing units ("WSU") consisting of certain lands in Section 33 and 34, Township 3 North, Range 66 West, 6th P.M., to accommodate: 1) the drilled Rattler 3N-34 HZ Well in WSU #1 (API No. 05-123-34856) 2) the Rattler 29C-34 HZ Well (API No. 05-123-34859) in WSU # 2; 3) the Rattler 29N-34 HZ Well in WSU #3 (API No. 05-123-34857); 4) the Rattler 4C-34HZ Well in WSU #4 (API No. 05-123-34866); 5) the Rattler 4N-34 HZ Well in WSU # 5 (API No. 05-123-34865); 6) and the Rattler 26N-33 HZ Well in WSU #6 (API No. 05-123-34868), all horizontal wells, for the development and operation of the Codell and Niobrara Formations.

Docket No. 1203-UP-62, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order to pool all interests in the approximate 80-acre designated wellbore spacing unit for the planned Flockhart 12-43D Well ("Flockhart 12-43D Spacing Unit") consisting of the S½ SE¼ of Section 12, Township 6 North, Range 67 West, 6th P.M., and to pool all interests in the approximate 160-acre designated wellbore spacing unit for the planned Flockhart 12-45 Well ("Flockhart 12-45 Spacing Unit"), consisting of the SE¼ of Section 12, Township 12 North, Range 67 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations.

Docket No. 1203-UP-65, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order to pool all interests in one approximate 160-acre drilling and spacing unit consisting of the NE¼ of Section 18, Township 6 North, Range 62 West, 6th P.M., for the drilled Wells Ranch AE18-17 Well (API No. 05-123-33224), for the development and operation of the Codell and Niobrara Formations.

Docket No. 1203-UP-66, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order to pool all interests in an approximate 160-acre designated wellbore spacing unit consisting of the SE¼ of Section 30, Township 5 North, Range 63 West, 6th P.M., for the planned Rothe BB30-23 Well (API No. 05-123-32152), for the development and operation of the Codell and Niobrara Formations.

Docket No. 1203-UP-68, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Request for an order to pool all interests in one approximate 160-acre designated wellbore spacing unit consisting of the NE¼ of Section 30, Township 4 North, Range

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64 West, 6th P.M., for the drilled Johnson 30-15 Well (API No. 05-123-23936), for the development and operation of the Codell and Niobrara Formations.

The motion was seconded by Commissioner Holton and approved unanimously.

Docket No. 1201-UP-31 was then presented to the Commission as a separate matter. Jamie Jost of Beatty & Wozniak spoke on behalf of Kerr-McGee. Ms. Jost explained that Docket No. 1201-UP-31 requests a pooling order for, among other things, a wellbore spacing unit to accommodate the Camp 38N-26HZ Well. However, because of casing issues, the Camp 38N-26HZ Well had to be plugged and abandoned, and the Permitting Group has allowed Kerr-McGee to drill the Camp 38N-26HZR Well on the same pad. Kerr-McGee requested that the Commission's Order substitute the Camp 38N-26HZR Well for the Camp 38N-26HZ Well that had been included in the application. The Commission asked if that the Camp 38N-26HZ Well was properly plugged. Acting Director Kerr stated that this is a relatively routine procedure where an operator loses a well and is granted permission to move ahead with a substitute well.

Following this discussion, Vice Chair Pearce moved for the approval of Docket No. 1201-UP-31, as recommended by Staff, including the amendment requested by Kerr-McGee as follows:

Docket No. 1201-UP-31, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Request for an order to pool all interests in five approximate 320-acre horizontal wellbore spacing units consisting of certain lands in Sections 25 and 26, Township 3 North, Range 68 West, 6th P.M., to accommodate the planned Camp 36N-26HZ Well, the Camp 15N-26HZ Well, the Camp 37N-26HZ Well, the Camp 38N-26HZR Well, and the Camp 38C-26HZ Well, for the development and operation of the Codell and Niobrara Formations.

The motion was seconded by Commissioner Alward and approved unanimously.

Group E

Chairman Compton asked if any Commissioners had a conflict of interest or recusals with any of the item within Group E of the Consent Agenda. No disclosures were reported.

Vice Chair Pearce moved for the approval of the Group E application of the Consent Agenda, as recommended by Staff, as follows:

Docket No. 1010-UP-57, Ignacio-Blanco Field, La Plata County. Applicant, BP American Production and Lois Hood. Request to involuntarily pool all nonconsenting interests in the drilling and spacing unit consisting of Section 1U and the N½ of Section 12U, Township 34 North, Range 7 West, N.M.P.M. (SUL), for the development and operation of the Fruitland coal seams.

Acting Hearings Manager, Peter Gowen explained this application originally requested retroactive pooling to the original spud date of the first well, 12 years prior to the application. Retroactive pooling was vigorously protested by Samson and SG Interests. The parties have been working on a settlement for over a year and have now achieved it. The amended application no longer seeks retroactive pooling to before the date of the application. This is now an uncontested prospective pooling application submitted under Rule 511. The proposed order can be reopened and revisited, if a Communitization Agreement involving the Southern Ute Indian Tribe is not executed within a reasonable time.

The motion was seconded by Commissioner Holton and approved unanimously.

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General Hearing Matters

The Commission was ahead of schedule and so Docket No. 1203-GA-04 was consideration next, while waiting for counsel for the next matter to arrive.

The Commissioners considered adoption of Form 35, which had been circulated to stakeholders twice and comments received.

Docket No. 1203-GA-04

The Colorado Oil & Gas Association and Colorado Petroleum Association submitted proposed revisions to the Form noticed for hearing. Ken Wonstolen of Beatty & Wozniak spoke on behalf of COGA, supporting the proposed revisions. Questions arose about whether a patient affected by hydraulic fracturing materials would be required to sign a confidentiality agreement, and whether Commissioners would have to sign a similar confidentiality agreement. Assistant Attorney General Jake Matter stated that as to Commissioners, confidentiality is implied. The issue of whether patients can be required to sign the Confidentiality agreement remained unanswered.

Mr. Wonstolen indicated that industry stakeholders support the draft as was circulated and which was being considered by the Commission.

Vice Chair Pearce moved for the approval of Docket No. 1203-GA-04, as presented by Staff as follows:

Docket No. 1203-GA-04, Statewide. Colorado Oil and Gas Conservation Commission. The Commission adoption of Form 35 - Confidentiality Agreement for purposes of satisfying a requirement of the recently approved hydraulic fracturing chemical disclosure rule adopted by Order No. 1R-114, as amended and presented to the Commission this date.

The motion was seconded by Commissioner Craig and approved unanimously.

Chairman Compton asked Jake Matter to consider the issue of how to maintain trade secret confidentiality when a health professional discloses confidential information to a patient in the course of medical treatment, and report back to the Commission at a later date.

Violation Hearing Matters

Docket No. 1108-OV-22

This matter was set for oral arguments on a motion to dismiss Chevron as a third party defendant in Coral's application for a Responsible Party hearing under Rule 524.

Assistant Attorney General Jake Matter has been representing Staff on this matter. Therefore, Skip Spear, Senior Assistant Attorney General, served as Conflicts Counsel to advise the Commission.

Matt Lepore and Ken Wonstolen of Beatty & Wozniak represented Chevron as a third party defendant in Chevron's Motion to Dismiss Coral's third party claim against Chevron. Kyle Davenport and Mike Dommermuth of McGloin, Davenport, Severson & Snow, PC represented Coral.

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The Commission first considered whether to allow testimony on a Rule 510 Statement prepared by Jeff Welborn. After determining that the Rule 510 statement would be accepted and admitted into the record, but that testimony was not necessary, discussion turned to the Motion to Dismiss.

Mr. Lepore broke the Motion to Dismiss down into six issues: 1) as the applicant for a responsible party determination, Coral has the burden of proof; 2) violating a then-applicable “historic rule” is a prerequisite to a responsible party determination and Coral’s complaint did not allege that Chevron violated any then-applicable historic rules; 3) Coral’s Response Brief cannot amend its Complaint and Coral’s fact affidavits are inappropriate in response to a motion to dismiss; 4) by law, Chevron cannot be liable for alleged violations of commission rules adopted after January 31, 1987; 5) the Commission lacks subject matter jurisdiction to require Chevron to reimburse coral for past costs, or to apportion fines; and 6) Coral’s responsible party claims are subject to the one-year limitations period.

Mr. Davenport then argued that: 1) a motion to dismiss should be considered in a light most favorable to the non-moving party, and that Coral should be allowed to proceed; 2) Chevron violated then-applicable Rules; 3) the COGCC has the authority to order Chevron to reimburse Coral for past remediation costs; 4) Chevron is responsible for damage to the environment; 5) Coral’s claims are not time barred by application of the discovery rule; and 6) the burden of proof is on the COGCC.

Mr. Lepore stated that the question at hand is whether Chevron violated a rule that then existed. Mr. Dommermuth stated that that issue is to be decided down the road, not at this hearing.

Further discussion indicated that because this is a matter of first impression for the Commission, Commissioners find it important to get the process correct instead of just moving the case along. The Commissioners determined that they needed to confer with their legal counsel before making a decision on the Motion to Dismiss.

LUNCH BREAK /EXECUTIVE SESSION

Assistant Attorney General Jake Matter, informed the Commission that he had no updates that required Executive Session discussion. Therefore, the Commissioners were able to go into Executive Session with Senior Assistant Attorney General Spear to discuss Docket No. 1108-OV-22 only.

Conflicts Counsel, Skip Spear, explained the basis for the Commission entering into executive session. The purpose of the executive session, pursuant to C.R.S. §24-6-402(3)(a)(II), was to discuss matters with the attorney representing the Commission, concerning matters that are subject to pending or imminent court action, concerning specific claims or grievances, or to receive legal advice on specific legal questions.

Commissioner Pearce moved that the Commission enter Executive Session to receive legal advice regarding Docket No. 1108-OV-22 and to recess for lunch. The motion was seconded by Commissioner Alward and approved unanimously.

The Commission went into Executive Session at 12:30 p.m., reconvening at 1:40 p.m.

After reconvening from Executive Session, Senior Assistant Attorney General, and Conflicts Counsel Spear recited the following recommendation on Chevron’s Motion to Dismiss:

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- The 12(b)(1) motion to dismiss concerning the jurisdiction of the commission to order Chevron to reimburse Coral for past remediation costs is granted. The Commission finds that it does not possess jurisdiction to require such an action.
- The 12(e) motion to amend is granted. An amended complaint is due in two weeks. The amended complaint must contain the specificity of a NOAV and must specifically identify the pre-1987 rules, regulations, and laws that Chevron is alleged to have violated.
- The 12(b)(5) motion to dismiss based on the statute of limitations is denied. The Commission finds that the discovery rule applies to the limitations period at issue and that there are disputed issues of fact concerning when Coral discovered the contamination.
- All other bases for dismissal under 12(b)(5) are denied as moot, on the condition that Coral submit an amended complaint within two weeks, on or before March 19, 2012.
- The Commission finds that, moving forward, Coral will have the burden to prove that Chevron is a responsible party and violated a rule, regulation, or law that was in effect while Coral operated the Christiansen #B-5 well.

Vice Chair Pearce moved to approve the above recommendation. The motion was seconded by Commissioner Holton and approved unanimously.

Docket No. 1201-OV-01

Request for an order finding violation against Richard Conley in violation of Rules 302.a., 312.c., 317.i. and 706. for its operation of the Bone #1 Well located in the NE¼ NE¼ of Section 24, Township 32 North, Range 6 West, N.M.P.M.

The Commission considered a proposed Administrative Order by Consent (AOC) signed by the parties at its January 23, 2012 meeting. A motion to disapprove the AOC failed on a 3-3 vote. The Commission counter-offered with an AOC with a \$20,000 fine. Richard Conley rejected this counter-offer. During a prehearing conference, Richard Conley indicated that he would move for reconsideration of the original proposed AOC. This matter was set as a full hearing on the merits. However, the parties have agreed to a stipulation of facts, consistent with the findings of the proposed original AOC, so the only remaining issue in dispute is the proposed fine.

Mark Weems, COGCC Southwest Colorado Engineer explained that BP, the prior operator of the well had agreed to pay reasonable costs to have Mr. Conley's well plugged and abandoned. He further explained that: 1) the domestic wells impacted by the subject well, had been fitted with treatment systems rendering them safe for domestic use; and 2) it was important to get the subject well plugged as soon as possible to stop the ongoing contamination of the local groundwater; and 3) once the subject well was plugged, the groundwater would return to natural conditions.

During the course of the hearing, the April 1 date referred to in paragraph 15e of the AOC was questioned as to whether that date would still work if the plugging work were to be completed this year. Mr. Conley indicated that he would cooperate with staff in allowing the work to be performed this fiscal year.

Commissioner Holton moved that the Commission approve an Order Finding Violation against Mr. Conley on the same terms of the proposed AOC, specifically imposing a fine of \$100 against Mr. Conley, except that the plugging and abandoning operations may be conducted during the period

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of November 1 through July 1 to minimize any potential disruption of Richard Conley's hayfield operations. The motion was seconded by Commissioner Compton and approved by a 8-1 vote, with Commissioner Craig opposed the motion.

General Hearing Matters

Docket No. 1203-GA-01 Magpie Operating Inc.

Request for an order granting a variance from a Permit, and extending the expiration of the Permit from April 8, 2012 to April 8, 2014. Protested by Mike Sutak and Laura W. Chase. Rule 510 Statement Colorado State Land Board in support of the variance.

John Jacus & Sam Niebrugge of Davis, Graham & Stubbs appeared on behalf of and Magpie Operating Inc. ("Magpie"). Ryan Warner, Magpie Vice President, appeared as a witness. Philip Barber represented Laura Chase and Mike Sutak ("Chase-Sutak") in their protest of the Magpie application for variance. Chase Sutak offered no witnesses.

Acting Director Kerr introduced the matter to the Commission, and informed the Commission that Staff supports granting the variance request, but feels that it should be granted by the Commission instead of the staff.

The Commission heard testimony from two Magpie witnesses, Ryan Warner, Magpie Vice President, and Pete Milonas, Minerals Director of the State Land Board. The Warner testimony explained Magpie Exhibits A through F attached to the Magpie Prehearing Statement. The Warner testimony also elaborated on the efforts Magpie has taken to secure and defend the Permit as described in part II of the Magpie Prehearing Statement. The Milonas testimony largely repeated comments made in his letter dated January 23, 2012 and submitted pursuant to Rule 510.

Mr. Jacus argued that Magpie has been in litigation with Chase-Sutak in two contested administrative proceedings before the Commission, two district court actions, and one appeal presently pending before the Colorado Court of Appeals. Testimony by Ryan Warner, Magpie Vice President, stated that that it was economically and practically infeasible for Magpie to proceed with drilling a well until the pending appeal is resolved. The Warner testimony further described the inability of Magpie to secure supplemental financing to drill the Well in the face of the uncertainty surrounding the ongoing litigation.

Chase-Sutak presented no witnesses, but cross examined Ryan Warner, primarily with regards to Exhibit R-4 attached to the Chase-Sutak Prehearing Statement. Chase-Sutak sought to prove that the reason Magpie has not drilled the subject well within the term of the Permit, was that Magpie lacked the financial means to drill the Well. Mr. Barber, through cross examination of Mr. Warner and argument, claimed that Magpie had not taken any steps toward drilling a well on the property.

In rebuttal, Mr. Jacus and Mr. Warner stated that it was fiscally irresponsible for Magpie to finance the materials, equipment, and crew necessary to begin drilling when they were sure to meet a temporary restraining order by Chase-Sutak. They claimed that it was the Chase-Sutak litigation that was responsible for their inability to drill the permit already issued to Magpie.

Vice Chair Pearce asked whether Magpie is properly bonded. Acting Director Kerr responded that Magpie has excess inactive wells that are under-bonded, but that Magpie is working with Commission staff to develop a plan that can be approved by Staff to remedy that situation.

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Vice Chair Pearce moved to approve Magpie's request for a variance to extend its permit from April 8, 2012 to April 8, 2014. The motion was seconded by Commissioner Benton and approved by a 7-2 vote. Commissioners King and Spielman opposed the motion.

Docket No. 1203-GA-02 Gonzalo Torres Macchiavello/West Hawk (USA) LLC.

Request for an order to vacate the sanctions imposed by Order 1V-385 imposed personally against Mr. Macchiavello.

Scott Clark of Burns, Figa and Will, P.C. appeared on behalf of Gonzalo Torres Macchiavello.

Acting Hearings Manager Gowen summarized the request by Mr. Macchiavello to have his name removed from the orders issued by the COGCC against West Hawk (USA) LLC. Mr. Clark then presented to the Commission his argument of a lack of due process for Mr. Macchiavello as he was not personally notified of the charges being brought against him, and he had no way of representing himself against those charges.

Vice Chair Pearce moved to have Mr. Macchiavello's name stricken from Order 1V-385 as suggested by the Hearing Officer Recommendation, based on the failure of due process. The motion was seconded by Commissioner Benton, but failed on a 4-4 vote with Chairman Compton, Vice Chair Pearce, and Commissioners Benton and Alward voting in favor of the motion; Commissioners Craig, Holton, Spielman and Urbina voting against the motion, and Commissioner King no longer present.

Mr. Clark re-emphasized his due process argument before the Commission.

Commissioner Benton then moved to have Mr. Macchiavello's name stricken from Order 1V-385 as suggested by the Hearing Officer Recommendation based on the failure of due process. The motion was seconded by Vice Chair Pearce.

Commissioner Craig stated that she was changing her vote because of the due process argument, but added that she was concerned about holding operators to their responsibilities.

Commissioner Urbina stated that he was changing his vote because there was no due process as to Mr. Macchiavello and so the claim against him should be dismissed.

Commissioner Spielman stated that Mr. Clark did a good job arguing due process and because there was no personal due process he was changing his vote.

The motion was approved unanimously.

Closing Remarks

Commissioner Compton asked what could be done in the future to hold operators responsible? Assistant Attorney General Jake Matter was asked to research what the Commission may be able to do in the future to add accountability to operator actions.

Acting Director Kerr stated that each of the matters the hearing matters Commission heard today was different, but that there was one that, in his mind, the Commission could address. On the issue of domestic wells, many times when a well is turned over to a domestic operator the burden of bonding is too great on a landowner, and the landowner asks the Commission to approve a \$500 bond instead of the bonding amount required in the Rules. As \$500 is not enough to plug and abandon a well once the domestic use is no longer needed, or when an issue such as

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occurred with Mr. Conley arises, the Commission think hard whether lowering the required bonding is the right thing to do.

The Commissioners discussed the impacts domestic wells have on the livelihood of some people, and said they would take Acting Director Kerr's comments into consideration the next time such an issue came before them.

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

Adjourned 4:30 p.m.

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

Order No. 112-234, Docket No.1010-UP-57, Ignacio-Blanco Field, La Plata County. Applicant, BP American Production and Lois Hood. Approves the request to involuntarily pool all nonconsenting interests in the drilling and spacing unit consisting of Section 1U and the N½ of Section 12U, Township 34 North, Range 7 West, N.M.P.M. (SUL), for the development and operation of the Fruitland coal seams.

Order No. 535-142, Docket No. 1201-UP-10, Unnamed Field, Weld County. Applicant, Chesapeake Exploration, LLC. Approves the request for an order to pool all interests in an approximate 640-acre horizontal drilling and spacing unit consisting of Section 2, Township 8 North, Range 66 West, 6th P.M., for the development and operation of the Niobrara Formation.

Order No. 535-143, Docket No. 1201-UP-11, Unnamed Field, Weld County. Applicant, Chesapeake Exploration, LLC. Approves the request for an order to pool all interests in an approximate 640-acre horizontal drilling and spacing unit consisting of Section 12, Township 8 North, Range 66 West, 6th P.M., for the development and operation of the Niobrara Formation.

Order No. 407-561, Docket No. 1201-UP-31, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all interests in five approximate 320-acre horizontal wellbore spacing units consisting of certain lands in Sections 25 and 26, Township 3 North, Range 68 West, 6th P.M., to accommodate the planned Camp 36N-26HZ Well, the Camp 15N-26HZ Well, the Camp 37N-26HZ Well, the Camp 38N-26HZ Well, and the Camp 38C-26HZ Well, for the development and operation of the Codell and Niobrara Formations.

Order No. 407-562, Docket No. 1201-UP-49, Wattenberg Field, Weld County. Applicant, Petroleum Development Corporation. Approves the request for an order to pool all interests in ten wellbore spacing units consisting of certain lands in Section 10, Township 5 North, Range 67 West 6th P.M., to accommodate ten wells, for the development and operation of the Codell and Niobrara Formations.

Order No. 1-172, Docket No. 1203-GA-01, Johnson's Corner Field, Larimer County. Applicant, Magpie Operating Inc. Approves the request for an order granting a variance from Permit No. 20084004, ("Permit"), for the State Chase 33-36 Well, and extending the expiration of the Permit from April 8, 2012 to April 8, 2014. Protested by Mike Sutak and Laura W. Chase. Rule 510 Statement Colorado State Land Board in support of the variance. The parties have stipulated not to supplement the record from the previous Commission hearing on the original permit. The hearing is limited to whether Magpie qualifies for the variance under the Rules.

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Order No. 1-173, Docket No. 1203-GA-02, Statewide. Applicant, Gonzalo Torres Macchiavello/West Hawk (USA) LLC. Approves the request for an order to vacate the sanctions imposed by Order 1V-385 imposed personally against Mr. Macchiavello.

Order No. 1-174, Docket No. 1203-GA-04, Statewide. Colorado Oil and Gas Conservation Commission. Approves the request to adopt of Form 35 - Confidentiality Agreement for purposes of satisfying a requirement of the recently approved hydraulic fracturing chemical disclosure rule adopted by Order No. 1R-114.

Order No. 539-1, Docket No. 1203-SP-19, Unnamed Field, Weld County. Applicant, Chesapeake Exploration, LLC. Approves the request for an order to establish an approximate 640-acre exploratory drilling and spacing unit consisting of Section 14, Township 3 North, Range 61 West, 6th P.M., and authorize a horizontal well within the proposed exploratory unit, for the production of oil, gas and associated hydrocarbons from the Greenhorn Formation.

Order No. 535-144, Docket No. 1203-SP-20, Unnamed Field, Weld County. Applicant, Condor Energy Technology LLC. Approves the request for an order to establish three approximate 640-acre exploratory drilling and spacing units consisting of Sections 19, 31 and 32, Township 7 North, Range 59 West, 6th P.M., and authorize up to two horizontal wells in each proposed exploratory unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 535-145, Docket No. 1203-SP-21, Unnamed Field, Arapahoe County. Applicant, ConocoPhillips Company. Approves the request for an order to establish 14 approximate 640-acre drilling and spacing units consisting of Sections 29, 34 and 35 of Township 4 South, Range 64 West, 6th P.M., Sections 1, 3, 4, 14, 23, 24, 25 and 36 of Township 5 South, Range 64 West, 6th P.M., and Sections 18, 19 and 30 of Township 5 South, Range 63 West, 6th P.M., and authorize a horizontal well with the option to drill a second horizontal well in each proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 540-1, Docket No. 1203-SP-22, Unnamed Field, Routt County. Applicant, Continental Resources, Inc. Approves the request for an order to establish an approximate 640-acre drilling and spacing unit consisting of Section 11, Township 6 North, Range 87 West, 6th P.M., and authorize a horizontal well within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 535-147, Docket No. 1203-SP-26, Unnamed Field, Weld County. Applicant, Marathon Oil Company. Approves the request for an order to establish eight approximate 640-acre drilling and spacing units consisting of Section 36, Township 8 North, Range 59 West, 6th P.M., Sections 4 and 28, Township 8 North, Range 64 West, 6th P.M., Sections 20 and 28, Township 8 North, Range 65 West, 6th P.M., Section 16, Township 8 North, Range 67 West, 6th P.M., Section 15, Township 9 North, Range 63 West, 6th P.M., and Section 28, Township 9 North, Range 64 West, 6th P.M., and authorize a horizontal well within each proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 407-563, Docket No. 1203-SP-27, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to establish an approximate 160-acre drilling and spacing unit consisting of the NE¼ of Section 18, Township 6 North, Range 62 West, 6th P.M., to accommodate the drilled Wells Ranch AE18-17 Well (API No. 05-123-33224), for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Order No. 407-564, Docket No. 1203-SP-28, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to establish an approximate 320-acre wellbore spacing unit consisting of the N½ of Section 11, Township 4 North, range 65 West, 6th P.M., and

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approve one horizontal well to accommodate the drilled Hanscome G11-99HZ Well (API No. 05-123-32244), for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Order No. 407-565, Docket No. 1203-SP-29, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to establish an approximate 320-acre wellbore spacing unit consisting of the W½ of Section 31, Township 3 North, Range 67 West, 6th P.M., and approve one horizontal well to accommodate the drilled Varra P31-76HN Well (API No. 05-123-33668), for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Order No. 407-566, Docket No. 1203-SP-30, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to: 1) establish an approximate 320-acre wellbore spacing unit consisting of certain lands in Sections 25 and 36, Township 6 North, Range 64 West, 6th P.M., and approve one horizontal well to accommodate the drilled Scholfield State A36-69HN Well (API No. 05-123-33320), for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Order No. 407-567, Docket No. 1203-SP-31, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to establish an approximate 318.24-acre wellbore spacing unit consisting of the E½ W½, W½ E½ of Section 31, Township 3 North, Range 67 West, 6th P.M., and approve one horizontal well to accommodate the drilled Varra P31-74HN Well (API No. 05-123-33675), for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Order No. 535-148, Docket No. 1203-SP-33, Unnamed Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to establish an approximate 640-acre drilling and spacing unit consisting of Section 19, Township 10 North, Range 61 West 6th P.M., and approve one or more horizontal wells within said unit, as necessary to economically and efficiently recover the oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Order No. 535-149, Docket No. 1203-SP-35, Unnamed Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to establish an approximate 640-acre drilling and spacing unit consisting of Section 2, Township 11 North, Range 61 West 6th P.M., and approve one or more horizontal wells within said unit, as necessary to economically and efficiently recover the oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Order No. 535-150, Docket No. 1203-SP-36, Unnamed Field, Weld County. Applicant, Whiting Oil & Gas Corp. Approves the request for an order to establish three approximate 960-acre drilling and spacing units consisting of certain lands in Sections 2, 11, 14, 20 and 29, Township 10 North, Range 58 West, 6th P.M., and approve up to four horizontal wells within each unit, as necessary to economically and efficiently recover the oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 535-151, Docket No. 1203-SP-37, Unnamed Field, Weld County. Applicant, Whiting Oil & Gas Corp. Approves the request for an order to establish an approximate 960-acre drilling and spacing unit consisting of certain lands in Sections 24 and 25, Township 10 North, Range 60 West, 6th P.M., and approve up to four horizontal wells within the unit, as necessary to economically and efficiently recover the oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 191-92, Docket No. 1203-UP-54, Mamm Creek Field, Garfield County. Applicant, Antero Resources Piceance Corporation. Approves the request for an order to pool all interests in an approximate 160-acre drilling and spacing unit consisting of the SW¼ of Section 16, Township 6

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South, Range 92 West, 6th P.M., to accommodate the drilled Burckle A11 Well (API No. 05-045-14516), for the development and operation of the Williams Fork and Iles Formations.

Order No. 535-152, No. 1203-UP-55, Unnamed Field, Weld County. Applicant, Condor Energy Technology LLC. Approves the request for an order to pool all interests in an approximate 640-acre exploratory drilling and spacing unit consisting of Section 19, Township 7 North, Range 59 West, 6th P.M., for the development and operation of the Niobrara Formation.

Order No. 535-153, Docket No. 1203-UP-56, Unnamed Field, Weld County. Applicant, Condor Energy Technology LLC. Approves the request for an order to pool all interests in an approximate 640-acre exploratory drilling and spacing unit consisting of Section 31, Township 7 North, Range 59 West, 6th P.M., for the development and operation of the Niobrara Formation.

Order No. 535-154, Docket No. 1203-UP-57, Unnamed Field, Weld County. Applicant, Condor Energy Technology LLC. Approves the request for an order to pool all interests in an approximate 640-acre exploratory drilling and spacing unit consisting of Section 32, Township 7 North, Range 59 West, 6th P.M., for the development and operation of the Niobrara Formation.

Order No. 540-2, Docket No. 1203-UP-58, Unnamed Field, Routt County. Applicant, Continental Resources, Inc. Approves the request for an order to pool all interests in an approximate 640-acre drilling and spacing unit consisting of Section 11, Township 6 North, Range 87 West, 6th P.M., for the drilling of the proposed Peltier 1-11H Well, for the development and operation of the Niobrara Formation.

Order Nos. 232-311 & 407-568, Docket No. 1203-UP-59, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all interests in an approximate 160-acre designated wellbore spacing unit consisting of certain lands in Section 2, Township 1 North, Range 66 West, 6th P.M., for the drilling of the permitted Highway 160 24-2 Well (API # 05-123-31687), for the development and operation of the Codell, Niobrara and "J" Sand Formations.

Order Nos. 232-312 & 407-569, Docket No. 1203-UP-60, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all interests in an approximate 160-acre designated wellbore spacing unit consisting of certain lands in Sections 8, 9, 16 and 17, Township 2 North, Range 65 West, 6th P.M., for the drilling of the permitted Dechant 38-8 Well (API # 05-123-33012), for the development and operation of the Codell, Niobrara and "J" Sand Formations.

Order No. 407-570, Docket No. 1203-UP-61, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all interests in six approximate 160-acre designated wellbore spacing units ("WSU") consisting of certain lands in Section 33 and 34, Township 3 North, Range 66 West, 6th P.M., to accommodate: 1) the drilled Rattler 3N-34 HZ Well in WSU #1 (API No. 05-123-34856) 2) the Rattler 29C-34 HZ Well (API No. 05-123-34859) in WSU # 2; 3) the Rattler 29N-34 HZ Well in WSU #3 (API No. 05-123-34857); 4) the Rattler 4C-34HZ Well in WSU #4 (API No. 05-123-34866); 5) the Rattler 4N-34 HZ Well in WSU # 5 (API No. 05-123-34865); 6) and the Rattler 26N-33 HZ Well in WSU #6 (API No. 05-123-34868), all horizontal wells, for the development and operation of the Codell and Niobrara Formations.

Order No. 407-571, Docket No. 1203-UP-62, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to pool all interests in the approximate 80-acre designated wellbore spacing unit for the planned Flockhart 12-43D Well ("Flockhart 12-43D Spacing Unit") consisting of the S½ SE¼ of Section 12, Township 6 North, Range 67 West, 6th

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P.M., and to pool all interests in the approximate 160-acre designated wellbore spacing unit for the planned Flockhart 12-45 Well ("Flockhart 12-45 Spacing Unit"), consisting of the SE¼ of Section 12, Township 12 North, Range 67 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations.

Order No. 407-572, Docket No. 1203-UP-65, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to pool all interests in one approximate 160-acre drilling and spacing unit consisting of the NE¼ of Section 18, Township 6 North, Range 62 West, 6th P.M., for the drilled Wells Ranch AE18-17 Well (API No. 05-123-33224), for the development and operation of the Codell and Niobrara Formations.

Order No. 407-573, Docket No. 1203-UP-66, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to pool all interests in an approximate 160-acre designated wellbore spacing unit consisting of the SE¼ of Section 30, Township 5 North, Range 63 West, 6th P.M., for the planned Rothe BB30-23 Well (API No. 05-123-32152), for the development and operation of the Codell and Niobrara Formations.

Order No. 407-574, Docket No. 1203-UP-68, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to pool all interests in one approximate 160-acre designated wellbore spacing unit consisting of the NE¼ of Section 30, Township 4 North, Range 64 West, 6th P.M., for the drilled Johnson 30-15 Well (API No. 05-123-23936), for the development and operation of the Codell and Niobrara Formations.

Order No. 407-575, Docket No. 1203-UP-69, Wattenberg Field, Weld County. Applicant, Petroleum Development Corporation d/b/a PDC Energy. Approves the request for an order to pool all interests in one approximate 160-acre drilling and spacing unit consisting of certain lands in Sections 15 and 22, Township 5 North, Range 64 West, 6th P.M., for the drilling of the Bauer Debus 22JD Well (API No. 05-123-31869), for the development and operation of the Codell and Niobrara Formations.

Order No. 407-576, Docket No. 1203-UP-70, Wattenberg Field, Weld County. Applicant, Petroleum Development Corporation d/b/a PDC Energy. Approves the request for an order to pool all interests in one approximate 160-acre designated wellbore spacing unit consisting of certain lands in Sections 7 and 18, Township 6 North, Range 66 West, 6th P.M., for the drilling of the Schaefer 7TD Well, for the development and operation of the Codell and Niobrara Formations.

Order No. 407-577, Docket No. 1203-UP-72, Wattenberg Field, Weld County. Applicant, Unioil. Approves the request for an order to pool all interests not voluntarily pooled in five spacing units consisting of certain lands in Section 15, Township 5 North, Range 67 West, 6th P.M., for the proposed Edwards 21-15U Well, Edwards 15A-DU Well, Edwards 11-15DU Well, Edwards 22-15DU Well, and the Edwards 12-15DU Well, for the development and operation of the Codell and Niobrara Formations.

Order No. 1V-387, Docket No. 1201-OV-01, Archuleta County. Staff Recommendation. Approves the request for an order finding violation against Richard Conley in violation of Rules 302.a., 312.c., 317.i. and 706. for its operation of the Bone #1 Well located in the NE¼ NE¼ of Section 24, Township 32 North, Range 6 West, N.M.P.M.

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FOR THE COLORADO OIL AND GAS
CONSERVATION COMMISSION

Peter J. Gowen, Acting Secretary

Approved:

Tom Compton, Chair