

## RECORD OF PROCEEDINGS

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August 20, 2012

The Oil and Gas Conservation Commission (“COGCC”) met on August 20, 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
Tommy Holton	Commissioner
Mike King	Commissioner
Andrew Spielman	Commissioner
Chris Urbina	Commissioner
Deann Craig	Commissioner
Matt Lepore	Director
Casey Schpall	Deputy Attorney General
Robert J. Frick	Hearings Manager

### **Approval of Proceedings:**

Commissioner Pearce moved for the approval of the minutes of the July 9, 2012 hearing. The motion was seconded by Commissioner Spielman and was approved unanimously.

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

Executive Director King reported on the following:

- The COGCC hired Matt Lepore as the new Director of the COGCC.
- DNR Director King thanked Thom Kerr, Permitting/Technical Manager for his service as the Acting Director.
- Governor Hickenlooper named 2012 the “Year of Water,” focusing on the management and protection of Colorado’s water resources.
- Commissioner Deann Craig was re-appointed to a new four year term.

### **Director’s Report:**

Director Lepore 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 September 6, 2012, at 10:00 a.m. at the Colorado Mountain College, West Garfield Campus, 3695 Airport Road, Rifle, CO 81650. COGCC Staff expected to attend include Matt Lepore, Chris Canfield, Linda Spry O’Rourke, and Marc Morton.
- Gas and Oil Regulatory Team (GORT) Meeting: The next GORT/Southwest Colorado Oil and Gas Stakeholders meeting is scheduled for August 30, 2012, at 8:30 a.m. at the La Plata County Fairgrounds in Durango, Colorado. COGCC Staff expected to attend include Matt Lepore, Margaret Ash, Karen Spray, Mike Leonard, Nancy Prince, and Marc Morton.
- Requests for Baseline Water Quality Sampling continue to increase. At a cost of approximately \$1000 per test, the Commission will need to address the increasing costs of this program.

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- The Environmental Water Quality Database is being converted to a more user friendly interface and the data is being integrated into the Voluntary Baseline Groundwater Quality Sampling Program.
- Stakeholder meetings regarding statewide oil/gas well setbacks are ongoing. The Governor's taskforce has met nine times since February 2012. The taskforce has discussed a litany of issues, including: pits, odors, lights, and noise. Thom Kerr, whom has led the stakeholder meetings said he expects recommendations toward the end of September.
- *Public Outreach.* Staff was active in public outreach efforts since the last Commission hearing. Mike Leonard, Thom Kerr, Nancy Prince, Marc Morton and others participated in community meetings regarding oil and gas development in the state.
- Jill Dorancy joined the COGCC as a Hearings Officer. Dan Willis filled the open position in the scanning department. Marc Morton and Nancy Prince filled the newly created positions of Local Government Liaisons. Toby Sachen was hired as a Permit Technician.
- *Variances.* On June 27, 2012, a Rule 303.I.(2) Variance Request by Carrizo Oil & Gas Inc. was approved by the Acting Director due to exigent circumstances, citing the need to have an approved permit to drill and complete the last well planned prior to moving the well to another drill site. On July 9 and 13, 2012, variances to Rule 604.(a).8 (tank to wellhead distance) and 1003.b. (interim reclamation) were approved by the Acting Director, for three separate locations operated by Williams Production RMT Company LLC, for the placement and use of large capacity water tanks on Federal land in Rio Blanco County.
- *Monthly Permit Activity.* Applications for permits continue to decrease slightly from those levels seen in 2011. Horizontal Well permits account for 28% of the total. The number of Form 2A's continue to drop due to the increase in multi-well pads.
- Wendy Weinbech, Public and Community Relations for Encana, updated the Commission on the fatal explosion at an Encana wellsite on Tuesday, August 15<sup>th</sup>, 2012. Investigation is ongoing, but the explosion is thought to have occurred due to a high-pressure buildup while the well was being placed into production. Encana personnel on site immediately activated the Emergency Response Plan and notified the local government. OSHA, among others, is conducting an investigation. Encana stated the well was remotely monitored and shut-in by individuals on-site.
- Thom Kerr reported on the progress of the Setback Stakeholders meetings. He has been leading since February 2012. A copy of Mr. Kerr's Status Report of the Setback Stakeholder Group is attached for reference. Mr. Kerr reported the stakeholder group has focused in on the primary issues and is now ready to develop its recommendations to the Commission. The Commission should be aware a recommendation for rulemaking is likely as early as October.

### **Commissioner Comments:**

- Commissioner Alward noted the Sentinel newspaper hired a science reporter, resulting in better informed discussions at the science roundtable.
- Robert Frick, COGCC Hearings Unit Manager stated the 318A Rulemaking was continued to October.

### **Audience Comments:**

- Eugene Mei, City Attorney for Longmont, briefed the Commission on a citizen initiated referendum to ban fracking within the City of Longmont, which is likely to appear on the November ballot. Mr. Mei wished to clarify the City took no part in the ballot initiative.

### **Consent Agenda**

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With 49 matters listed for the Consent Agenda, Chairman Compton suggested that the Commission consider the matters in six 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 noted Docket Nos. 1208-SP-85 and 1208-SP-88 showed his employer or an affiliated company on the interested parties list, and requested these three matters be pulled from the Consent Agenda and taken under consideration separately. No other potential conflicts were raised.

Docket Nos. 1208-SP-85 and 1208-SP-88 were removed from the Consent Agenda.

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

Docket No. 1208-SP-84, Unnamed Field, Weld County

Applicant: Carrizo Oil & Gas, Inc.

Attorneys: Kenneth A. Wonstolen & Elizabeth Y. Gallaway

Subject: Request for an order to amend Order Nos. 535-41 and 535-51 to combine two existing 640-acre units to create a single approximate 1280-acre drilling and spacing unit consisting of Sections 17 and 18, Township 7 North, Range 60 West, 6th P.M., and allow up to two horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

Docket No. 1208-SP-87, Wattenberg Field, Weld County

Applicant: EOG Resources, Inc.

Attorneys: Robert A. Willis & Katherine E. Fisher

Subject: Request for an order to establish an approximate 640-acre drilling and spacing unit consisting of Section 13, Township 5 North, Range 61 West, 6th P.M., and approve one horizontal well within the unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1208-SP-89, Wattenberg Field, Weld County

Applicant: EOG Resources, Inc.

Attorneys: Robert A. Willis & Katherine E. Fisher

Subject: Request for an order to establish an approximate 320-acre drilling and spacing unit consisting of the W½ of Section 1, Township 6 North, Range 62 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1208-SP-91, Unnamed Field, Morgan & Weld County

Applicant: Vecta Oil & Gas, Ltd.

Attorney: David R. Little

Subject: Request for an order to establish fourteen approximate 640-acre exploratory drilling and spacing units consisting of certain lands in Townships 6 and 7 North, Ranges 58 and 59 West, 6th P.M., and allow up to two horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Greenhorn Formation.

Docket No. 1208-UP-218, Wattenberg Field, Weld County

Applicant: Marathon Oil Company

Attorneys: Scott M. Campbell & Jeremy I. Ferrin

Subject: Request for an order to vacate Order 535-52, which pooled all interests in an approximate 640-acre drilling and spacing unit that consists of Section 34, Township 7

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North, Range 62 West, 6th P.M., for the development and operation of the Niobrara Formation.

The motion was seconded by Commissioner Benton and approved unanimously.

Commissioner Holton made a motion to approve the following two applications pulled from Group A, with Commissioner Pearce abstaining, as follows:

Docket No. 1208-SP-85, Unnamed Field, Adams County

Applicant: ConocoPhillips Company

Attorney: J. Michael Morgan

Subject: Request for an order to establish an approximate 640-acre horizontal wellbore spacing unit consisting of Section 36, Township 3 South, Range 64 West, 6th P.M., and approve up to two horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1208-SP-88, Wattenberg Field, Weld County

Applicant: EOG Resources, Inc.

Attorneys: Robert A. Willis & Katherine E. Fisher

Subject: Request for an order to establish an approximate 640-acre drilling and spacing unit consisting of Section 14, Township 5 North, Range 61 West, 6th P.M., and approve one horizontal well within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

The motion was seconded by Commissioner Craig 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 potential conflicts were raised.

The Commission discussed Docket No. 1208-SP-94. Commissioner Alward asked a question regarding the withdrawal of an approximate 40-acre section from the drilling and spacing unit. Jamie Jost, attorney for WPX, was present to discuss the Application. Ms. Jost stated the withdrawal of the 40-acre unit was the result of negotiations with the affected mineral owner, whom consented to the request. Docket No. 1208-SP-94 remained on the Consent Agenda.

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

Docket No. 1204-SP-42, Wattenberg Field, Weld County

Applicant: Marathon Oil Company

Attorneys: Scott M. Campbell & Jeremy I. Ferrin

Subject: Request for an order to establish an approximate 320-acre drilling and spacing unit consisting of the E½ of Section 14, Township 3 North, Range 63 West 6th P.M., and authorize drilling up to two horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Comments: This matter has been continued to the August hearing as of June 20, 2012, in order to amend the application and re-notice.

Docket No. 1207-AW-07, Unnamed Field, Weld County

Applicant: Marathon Oil Company

Attorneys: Scott M. Campbell & Jeremy I. Ferrin

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Subject: Request for an order to authorize up to four wells within an approximate 640-acre drilling and spacing unit consisting of Section 32, Township 9 North, Range 64 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Comments: Continued from the July hearing.

Docket No. 1208-AW-15, Wattenberg Field, Weld County

Applicant: Marathon Oil Company

Attorneys: Scott M. Campbell & Jeremy I. Ferrin

Subject: Request for an order to approve up to four horizontal wells within the unit, consisting of Section 22, Township 3 North, Range 63 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1208-AW-17, Wattenberg Field, Weld County

Applicant: Marathon Oil Company

Attorneys: Scott M. Campbell & Jeremy I. Ferrin

Subject: Request for an order to approve up to four horizontal wells within the unit, consisting of Section 34, Township 7 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Comments: Contingent on 1208-UP-218

Docket No. 1208-AW-18, Unnamed Field, Weld County

Applicant: Marathon Oil Company

Attorneys: Scott M. Campbell & Jeremy I. Ferrin

Subject: Request for an order to approve up to four horizontal wells within the previously established 640-acre drilling and spacing unit, consisting of Section 8, Township 8 North, Range 64 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1208-AW-19, Unnamed Field, Weld County

Applicant: Marathon Oil Company

Attorneys: Scott M. Campbell & Jeremy I. Ferrin

Subject: Request for an order to approve up to four horizontal wells within each previously established 640-acre drilling and spacing unit, consisting of Section 8, Township 8 North, Range 66 West, 6th P.M. and Section 4, Township 9 North, Range 66 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Docket No. 1208-AW-20, Unnamed Field, Weld County

Applicant: Marathon Oil Company

Attorneys: Scott M. Campbell & Jeremy I. Ferrin

Subject: Request for an order to approve up to four horizontal wells within each previously established 640-acre drilling and spacing unit, consisting of Sections 18, 19 and 29, Township 9 North, Range 57 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1208-AW-21, Unnamed Field, Weld County

Applicant: Whiting Oil and Gas Corporation

Attorneys: Stephen J. Sullivan & Chelsey J. Russell

Subject: Request for an order to modify Order No. 535-75 to authorize drilling up to three additional horizontal wells in an established 640-acre drilling and spacing unit

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consisting of Section 2, Township 9 North, Range 59 West 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1208-SP-94, Mamm Creek Field, Garfield County

Applicant: WPX Energy Rocky Mountain, LLC

Attorneys: Kenneth A. Wonstolen, Jamie L. Jost & Theresa M. Sauer

Subject: Request for an order to: 1) vacate Order Nos. 191-8 and 191-10; 2) establish an approximate 292.20-acre drilling and spacing unit consisting of certain lands in Section 1, Township 7 South, Range 91 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group; and 3) revert the remaining approximate 40-acre portion of the established drilling and spacing unit to unspaced lands governed by Rule 318.a.

Docket No. 1208-AW-22, Grand Valley Field, Garfield County

Applicant: WPX Energy Rocky Mountain, LLC

Attorney: Gretchen VanderWerf

Subject: Request an for an order to approve the equivalent of one well per 10 acres, with the permitted well to be no closer than 100 feet from the boundaries of any lease line for the E½ of Section 12, Township 7 South, Range 96 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles 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. No potential conflicts were raised.

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

Docket No. 1207-UP-185, Wattenberg Field, Weld County

Applicant: Mineral Resources, Inc

Attorney: Thomas J. Kimmell

Subject: Request for an order to pool all interests in an approximate 160-acre drilling and spacing unit consisting of the SW¼ of Section 2, Township 5 North, Range 66 West, 6th P.M., to accommodate the Westmoor 5 2-6-2 Well (API No. 05-123-34640), for the development and operation of the Sussex, Codell, Niobrara, "J" Sand and Dakota Formations.

Comments: Continued from the July hearing.

Docket No. 1207-UP-186, Wattenberg Field, Weld County

Applicant: Mineral Resources, Inc

Attorney: Thomas J. Kimmell

Subject: Request for an order to pool all interests in an approximate 320-acre drilling and spacing unit consisting of the W½ of Section 32, Township 6 North, Range 65 West, 6th P.M., to accommodate the Island Grove 2-32 Well (API No. 05-123-35463), for the development and operation of the Niobrara Formation.

Comments: Continued from the July hearing.

Docket No. 1207-UP-187, Wattenberg Field, Weld County

Applicant: Mineral Resources, Inc

Attorney: Thomas J. Kimmell

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Subject: Request for an order to pool all interests in an approximate 320-acre designated wellbore spacing unit consisting of the N½ of Section 2, Township 5 North, Range 66 West, 6th P.M., to accommodate the Bestway 12-2 Well (API No. 05-123-34649) ("Well"), for the development and operation of the Niobrara Formation.

Comments: Continued from the July hearing.

Docket No. 1207-UP-188, Wattenberg Field, Weld County

Applicant: Mineral Resources, Inc

Attorney: Thomas J. Kimmell

Subject: Request for an order to pool all interests in an approximate 320-acre horizontal wellbore spacing unit for certain lands in Sections 2, and 11, Township 5 North, Range 66 West, 6th P.M., to accommodate the Bestway 6-11 Well (API No. 05-123-35502), for the development and operation of the Niobrara Formation.

Comments: Continued from the July hearing.

Docket No. 1208-UP-212, Wattenberg Field, Weld County

Applicant: Great Western Oil and Gas Company

Attorney: Stephen J. Sullivan

Subject: Request for an order to pool all nonconsenting interests in an approximate 160-acre designated wellbore spacing unit consisting of the SW¼ of Section 33, Township 7 North, Range 65 West, 6th P.M., to accommodate the Lamb 33-53 Well (API No. 05-123-33000), for the development and operation of the Codell and Niobrara Formations.

Docket No. 1208-UP-213, Wattenberg Field, Weld County

Applicant: Great Western Oil and Gas Company

Attorney: Stephen J. Sullivan

Subject: Request for an order to pool all nonconsenting interests in an approximate 80-acre designated wellbore spacing unit consisting of the W½ SW¼ of Section 33, Township 7 North, Range 65 West, 6th P.M., to accommodate the Appaloosa 33-13 Well (API No. 05-123-33003) and Appaloosa 33-14 Well (API No. 05-123-32999) ("Wells"), for the development and operation of the Codell and Niobrara Formations.

Docket No. 1208-UP-214, Wattenberg Field, Weld County

Applicant: Kerr-McGee Oil & Gas Onshore LP

Attorneys: Jamie L. Jost & Elizabeth Y. Gallaway

Subject: Request for an order to pool all interests within eight approximate 200 to 640-acre designated wellbore spacing units consisting of certain lands in Township 2 North, Range 65 West 6th P.M., for the development and operation of the Codell-Niobrara Formation.

Docket No. 1208-UP-215, Wattenberg Field, Weld County

Applicant: Kerr-McGee Oil & Gas Onshore LP

Attorneys: Jamie L. Jost & Elizabeth Y. Gallaway

Subject: Request for an order to pool all interests in an approximate 320-acre designated wellbore spacing unit consisting of certain lands in Township 2 North, Range 65 West, 6th P.M., to accommodate the Cannon 37C-3HZ Well (API No. Pending), for the development and operation of the Codell Formation.

The motion was seconded by Commissioner Pearce and approved unanimously.

### **Group D**

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Chairman Compton asked if any Commissioners had a conflict of interest or recusals with any of the items within Group D of the Consent Agenda. Director Lepore stated he had taken no action with regard to applications which were filed prior to his appointment as the Director, in which he was listed as an attorney for the Applicant. Deputy Attorney General Schpall noted there were no inherent conflicts.

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

Docket No. 1208-SP-80, Lefthanded Field, Kiowa County

Applicant: Bayhorse Petroleum, LLC  
Attorneys: Jamie L. Jost & Matthew J. Lepore

Subject: Request for an order to establish an approximate 40-acre drilling and spacing unit consisting of the NW¼ SE¼ of Section 21, Township 18 South, Range 47 West, 6th P.M., to accommodate the Trade Winds 4-21 Well, for the production of oil, gas and associated hydrocarbons from the Shawnee, Lansing-Kansas City, Marmaton, Cherokee, Morrow, Keyes & Mississippian System Formations.

Docket No. 1208-SP-83, Unnamed Field, Baca County

Applicant: Bayhorse Petroleum, LLC  
Attorneys: Jamie L. Jost & Matthew J. Lepore

Subject: Request for an order to establish an approximate 40-acre exploratory drilling and spacing unit consisting of the NW¼ NE¼, of Section 17, Township 35 South, Range 47 West, 6th P.M., and authorize one well within the unit to accommodate the planned Arthur Canyon 1-17 Well (No API No.), for production of oil, gas and associated hydrocarbons from the Red Cave, Topeka, Granite Wash, Campo sand interval, Marmaton, Atoka, Morrow, Keyes & Mississippian System Formations.

Docket No. 1208-UP-201, Lefthand Field, Kiowa County

Applicant: Bayhorse Petroleum, LLC  
Attorneys: Jamie L. Jost & Matthew J. Lepore

Subject: Request for an order to pool all interests in an established approximate 40-acre drilling and spacing unit, consisting of the NW¼ SE¼ of Section 21, Township 18 South, Range 47 West, 6th P.M., for the development and operation of the Marmaton Formation.

Docket No. 1208-SP-90, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.  
Attorneys: Jamie L. Jost & Elizabeth Gallaway

Subject: Request for an order to modify Order 535-3 to remove an approximate 640-acre drilling and spacing unit established for Section 29, Township 9 North, Range 58 West, 6th P.M., establish an approximate 320-acre drilling and spacing unit for the W½ of said section, and approve up to four horizontal wells and up to two vertical wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1208-UP-219, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.  
Attorneys: Jamie L. Jost & Elizabeth Y. Gallaway

Subject: Request for an order to pool all interests in two approximate 160-acre designated wellbore spacing units consisting of certain lands in various sections in Townships 3 and 4, Range 64 West, 6th P.M., to accommodate the Gutteresen D04-30D Well (API No. 05-123-33985) and the Gutterson D04-31D Well (API No. 05-123-33987), for the development and operation of the Codell-Niobrara Formation.

Docket No. 1208-UP-220, Wattenberg Field, Weld County



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Applicant: Noble Energy, Inc.  
Attorneys: Jamie L. Jost & Elizabeth Y. Gallaway

Subject: Request for an order to pool all interests within an approximate 160-acre designated wellbore spacing unit, consisting of certain lands in Township 3 North, Range 65 West, 6th P.M., to accommodate the REI H17-30D Well (API No. 05-123-35346), for the development and operation of the "J" Sand and Codell-Niobrara Formations.

Docket No. 1208-UP-221, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.  
Attorneys: Jamie L. Jost & Elizabeth Y. Gallaway

Subject: Request for an order to pool all interests within an approximate 160-acre designated wellbore spacing unit, consisting of certain lands in Township 3 North, Range 65 West, 6th P.M., to accommodate the REI H17-28D Well (API No. 05-123-35343), for the development and operation of the "J" Sand and Codell-Niobrara Formations.

Docket No. 1208-UP-222, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.  
Attorneys: Jamie L. Jost & Elizabeth Y. Gallaway

Subject: Request for an order to pool all interests in two approximate 160-acre designated wellbore spacing units, consisting of certain lands in Township 4 North, Ranges 65 and 66 West, 6th P.M., for the development and operation of the Codell-Niobrara Formation.

Docket No. 1208-UP-223, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.  
Attorneys: Jamie L. Jost & Elizabeth Y. Gallaway

Subject: Request for an order to affirm Order No. 407-339, pooling all interests in an approximate 160-acre wellbore spacing unit, established for certain lands in Section 29, Township 5 North, Range 66 West, 6th P.M., for the development and operation of the Codell-Niobrara Formation.

Docket No. 1208-UP-224, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.  
Attorneys: Jamie L. Jost & Matthew Lepore

Subject: Request for an order to pool all interests within an approximate 316.37-acre designated wellbore spacing unit, consisting of certain lands in Townships 6 and 7, Range 62 West, 6th P.M., to accommodate the Wells Ranch AE06-69-1HN Well (API No. 05-123-35559), for the development and operation of the Niobrara Formation.

Docket No. 1208-UP-225, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.  
Attorneys: Jamie L. Jost & Elizabeth Y. Gallaway

Subject: Request for an order to pool all interests within an approximate 160-acre designated wellbore spacing unit consisting of the E½ E½ of Section 7 North, Range 63 West, 6th P.M., to accommodate the Ball Ranch AC04-72HN Well (API No. 05-123-35248), for the development and operation of the Niobrara Formation.

Docket No. 1208-UP-226, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.  
Attorneys: Jamie L. Jost & Elizabeth Y. Gallaway

Subject: Request for an order to pool all interests in four approximate 320-acre designated wellbore spacing units, consisting of certain lands in Section 14, Township 7

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North, Range 64 West, 6th P. M, for the development and operation of the Niobrara Formation.

Docket No. 1208-UP-227, Unnamed Field, Weld County

Applicant: Noble Energy, Inc.

Attorneys: Jamie L. Jost & Elizabeth Y. Gallaway

Subject: Request for an order to pool all interests in Section 22, Township 8 North, Range 61 West, 6th P.M., to accommodate the Washburn LE 22-78HN Well (API No. 05-123-35060), for the development and operation of the Niobrara Formation.

Docket No. 1208-UP-228, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.

Attorneys: Jamie L. Jost & Elizabeth Y. Gallaway

Subject: Request for an order to pool all interests within an approximate 640-acre drilling and spacing unit for Section 9, Township 9 North, Range 59 West, 6th P.M., to accommodate the Timbro LC13-72HN Well (No API No.), for the development and operation of the Niobrara Formation.

Docket No. 1208-UP-229, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.

Attorneys: Jamie L. Jost & Elizabeth Y. Gallaway

Subject: Request for an order to modify Order 535-3 to remove an approximate 640-acre drilling and spacing unit established for Section 29, Township 9 North, Range 58 West, 6th P.M., establish an approximate 320-acre drilling and spacing unit consisting of the W $\frac{1}{2}$  of Section 29, Township 9 North, Range 58 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Docket No. 1208-UP-231, Wattenberg Field, Weld County

Applicant: PDC Energy, Inc.

Attorneys: Jamie L. Jost & Kenneth A. Wonstolen

Subject: Request for an order to pool all interests in an approximate 160-acre designated wellbore spacing unit, established for certain lands in Sections 13 and 24, Township 3 North, Range 64 West, 6th P.M., for the development and operation of the Codell-Niobrara Formation.

Docket No. 1208-UP-232, Wattenberg Field, Weld County

Applicant: PDC Energy, Inc.

Attorneys: Jamie L. Jost & Kenneth A. Wonstolen

Subject: Request for an order to pool all interests in an approximate 160-acre designated wellbore spacing unit, established for the S $\frac{1}{2}$  NW $\frac{1}{4}$ , N $\frac{1}{2}$  SW $\frac{1}{4}$  of Section 25, Township 3 North, Range 64 West, 6th P. M., for the development and operation of the Codell-Niobrara Formation.

Docket No. 1208-UP-233, Wattenberg Field, Weld County

Applicant: PDC Energy, Inc.

Attorneys: Jamie L. Jost & Kenneth A. Wonstolen

Subject: Request for an order to pool all interests in an approximate 160-acre designated wellbore spacing unit, established for the S $\frac{1}{2}$  NW $\frac{1}{4}$ , N $\frac{1}{2}$  SW $\frac{1}{4}$  of Section 21, Township 4 North, Range 67 West, 6th P.M., for the development and operation of the Codell-Niobrara Formation.

Docket No. 1208-UP-234, Wattenberg Field, Weld County

Applicant: PDC Energy, Inc.

Attorneys: Jamie L. Jost & Kenneth A. Wonstolen

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Subject: Request for an order to affirm Order No. 407-562, specifically for eight of the ten designated wellbore spacing units, and pooling all interests for certain lands in Section 10, Township 5 North, Range 76 West, 6th P.M., to accommodate eight drilled Highpointe Wells, for the development and operation of the Codell and Niobrara Formations.

The motion was seconded by Commissioner Craig and approved unanimously.

### **Group E**

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

Director Lepore noted the DOAA Applications in Group E were materially different than the DOAA Application denied by the Commission in 2010 (Chase-Sutak) that is currently in litigation, and that the Staff believes the current applications clearly satisfy Rule 603.d

For both 1208-GA-11 and 1208-GA-13, Commissioner Compton asked if all interested mineral owners had received Notice. Kim Shugar, Manager - Natural Resources Division, City of Longmont, was present to discuss the Application. Ms. Shugar stated all interested parties received notice and there were no protests.

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

Docket No. 1208-GA-11, Weld County

Applicant: City of Longmont

Attorney: Eugene Mei

Subject: Request for an order to modify Order No. 1-94, to include the NE $\frac{1}{4}$  NE $\frac{1}{4}$ , SE $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 7, Township 2 North, Range 68 West, 6th P.M., as a Designated Outdoor Activity Area.

Docket No. 1208-GA-13, Weld County

Applicant: Union Reservoir Company & City of Longmont

Attorney: Eugene Mei

Subject: Request for an order to designate the Union Reservoir Recreation Area, certain lands in Township 2 North, Range 68 West, 6th P.M., as a Designated Outdoor Activity Area.

The motion was seconded by Commissioner Benton and approved unanimously.

### **Group F**

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

The Commission discussed 1208-OV-08. Commissioner Craig stated that Hydrogen Sulfide (H<sub>2</sub>S) was a serious issue and discussed a fatal event in Denver City, Texas that killed nine people. Commissioner Compton asked for COGCC Staff to follow up and brief Commissioners on the development of the program. Michael Wozniak, attorney for Noble, was present to discuss the Administrative Order by Consent (AOC). Mr. Wozniak stated the \$50,000 fine would fund a public project pursuant to Rule 523.e., to create an H<sub>2</sub>S Awareness, Education, and Response Program for first responders and local governments. Commissioner Holton stated that as an elected official, he liked the intent of the program. Commissioner Benton like the direct use of funds for the program.

Commissioner Pearce moved for the approval of the items in Group F of the Consent Agenda, as recommended by Staff, as follows:

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### Cause No. 1V, Docket No. 1208-OV-08, Garfield & Weld Counties Staff Recommendation

Subject: COGCC Staff requests Commission approval for an Administrative Order by Consent (AOC) with **Noble Energy, Inc.**, for failure to report hydrogen sulfide measurements as required by Rule 607.c. for wells located in Garfield and Weld Counties. The AOC provides that Noble Energy contribute \$50,000 to establish and execute a Third Party Hydrogen Sulfide Awareness Program.

### Cause No. 1V, Docket No. 1208-OV-09, Garfield & Weld Counties Staff Recommendation

Subject: COGCC Staff requests Commission approval for an Administrative Order by Consent (AOC) with **Winn Exploration Company, Inc.** (Operator No. 10404) for its operations at the Slanovich 34-27 Pad for failure to comply with the Condition of Approval for the Form 2A and violation of § 34-60-121(1), C.R.S.

### Cause No. 1V, Docket No. 1208-OV-10, Fremont County Staff Recommendation

Subject: COGCC Staff requests Commission approval for an Administrative Order by Consent (AOC) with **Aus-Tex Exploration** (Operator No. 10412) for its operations at the Pathfinder #C 11-12 1 Pad for failure to comply with Condition of Approval for the Form 2A and violation of § 34-60-121(1), C.R.S.

The motion was seconded by Commissioner Benton and approved unanimously.

### **General Hearing Matters:**

#### Docket No. 1203-GA-03, Navajo Field, Archuleta County

Applicant: Alamosa Drilling Inc.  
Representative: Todd Moore

Protestant: Dr. Maude E. Nielsen (appearing by telephone)

Subject: This is a request under Rule 502.b.(1) for a variance to Rule 603.a.(2) (150 foot setback from surface property line) by Alamosa. It is protested by Dr. Maude E. Nielsen, the neighboring land owner who is impacted by the proposed variance.

Comments: This matter was heard on the merits at the April 16, 2012 Commission hearing, resulting in a 3-3 vote on a motion to disapprove the requested variance. It was heard again on May 29, 2012, resulting in a 4-4 vote on a motion to approve the requested variance. The Order from the May 29, 2012 hearing, states that unless a motion to reconsider is filed the matter would be dismissed. Alamosa filed a motion for reconsideration on June 28, 2012, requesting that the Commission reconsider its 4-4 vote taken at its May 29, 2012 meeting. The action before the Commission is to decide the Motion to Reconsider. If the motion is granted, the proposed procedure for reconsideration would be to decide the matter based on the record of the hearing of May 29, 2012, without further argument or evidence. Commissioner Holton would have to listen to the recording from that hearing, and review the exhibits entered into evidence at that hearing, in order to participate in Commission deliberations in this matter.

Commissioner Spielman stated he did not believe the request for reconsideration should be granted, as the request for a variance had already failed twice. For reconsideration, an applicant needed to show the Commission reached the wrong decision. A tie does not imply the Commission got the facts or the law wrong.

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Commissioner King stated he did not believe the request for reconsideration should be granted, as the absence of a commissioner did not create grounds for a revote.

Elizabeth Gallaway, attorney for Alamosa, and Todd Moore, President of Alamosa, were present to discuss the request. Todd Moore stated the request was limited to reconsideration as a corrective procedure under Rule 516 which requires the Commission's decision-making processes are consistent with the concept of fundamental fairness. Alamosa believes the tie votes prejudiced the outcome since a motion will always fail in a tie vote.

Casey Schpall noted that how a motion is framed may affect the outcome. She also noted the tie vote constituted final agency action.

Director Lepore noted the COGCC will continue to work to resolve the issue between the parties.

Following the discussion, the issue was closed, as there was no motion put before the Commission.

Docket No. 1208-GA-12, Saguache County

Applicant: Skyline Land Company, LLC, Sam Investments, Inc.,  
Mountain Coast Enterprises, LLC, & Wijaya Colorado, LLC  
Attorney: Randall J. Feuerstein

Subject: Request for an order to establish and implement a Surface Use Plan restricting oil and gas surface activities and operations for ten years, for certain lands in Township 41 North, Range 9 East, 6<sup>th</sup> P.M.

Kevin Gallaway, attorney for Skyline, briefed the Commission on the background of the Application. He noted the Application had already been approved by Saguache County, that 511 testimony had been provided and moved into evidence, and that 510 statements in support of the project had also been filed with the Commission. There were no protests. Skyline informed the Commission of a typographical error in the legal description of the published Notice of Hearing and asked for conditional approval of the Application pending re-notice with a corrected legal description.

Commissioner Alward moved for the conditional approval of Docket No. 1208-GA-12, pending re-notice.

The motion was seconded by Commissioner Spielman and approved unanimously.

**Violation Hearing Matters:**

Cause No. 1V, Docket No. 1208-OV-11, Baca, Washington & Weld Counties  
Staff Recommendation

Subject: COGCC Staff requests that P & M Petroleum Management, LLC. (P & M) (Operator No. 66565) be found in violation of Rule 706. for its noncompliance with Commission financial assurance requirements.

Comments: P & M operates four wells. Two wells are shut-in. Two wells are producing. Financial assurance requirements were amended in 2009, requiring financial assurance in the amount of \$60,000 for a statewide blanket bond covering up to 100 wells. P&M has never increased its \$30,000 financial assurance it had in place under the prior rule, despite staff efforts to do so. The Commission may order a fine up to \$10,000 for a violation of this rule.

Edward Neibauer, a Managing Partner for P&M Petroleum Management, LLC, was present to discuss the matter. He stated that P&M is a contract operator that does not have an interest in the wells and requested to offset the bonding deficiency with excess bonding under Rocky Mountain Operating Company, Inc.'s ("Rocky Mountain") financial assurance.

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Commissioner King moved for the approval of the OFV, finding P&M in violation of COGCC financial assurance requirements and directing COGCC Staff to amend the OFV to reflect the use of financial assurance by Rocky Mountain to satisfy fines imposed by the COGCC for past operations, the transfer of the remainder to satisfy P&M's financial assurance, and the imposition of a fine to be considered by the Commission at the October 1, 2012 hearing.

The motion was seconded by Commissioner Holton and approved unanimously.

The Commission then called Docket No. 1207-OV-02. Commissioner Benton moved for the approval of the OFV.

Cause No. 1V, Docket No. 1207-OV-02, Adams County  
Staff Recommendation

Subject: COGCC Staff requests that ***Ula Pearl Ruth*** (Operator No. 90902) should be required to either: (1) produce the Well, (2) perform a mechanical integrity test on the Well, (3) properly plug and abandon the Well, and (4) post required financial assurance. Further, Ula Pearl Ruth should be required to bring the wellsite into compliance with current COGCC rules.

Comments: This well was once owned by Ula Pearl Ruth, who passed away in 2007, leaving the property to two sons and a son-in-law. The well has not been produced, tested for mechanical integrity, or plugged since 2007 as required by Rule 326. The current owners have no interest in assuming responsibilities of an operator. Staff seeks to plug the well to protect damage to the environment, and be authorized to call the \$5,000 financial assurance instrument and apply the proceeds towards plugging the well.

Tom Ripp, attorney for Lester Lakey, and Lester Lakey, one of the mineral and surface estate owners, requested the COGCC foreclose on the financial assurance and place the Ruth #1 Well on the COGCC PRAW list.

The motion was seconded by Commissioner Alward and approved unanimously.

**Lunch Break /Executive Session:**

Deputy Attorney General Casey Schpall 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 Spielman moved that the Commission enter Executive Session to discuss and receive legal advice on the following issues:

- *COGCC v. City of Longmont*
- *City of Longmont charter amendment ballot initiative to ban hydraulic fracturing*
- *Hilton v. COGCC*
- *Discussion of whether tie vote of Commissioners constitutes final agency action for purposes of APA appeal.*

The motion was seconded by Commissioner Craig and approved unanimously. The Commission went into Executive Session at approximately 12:15 a.m., reconvening at 1:17 p.m.

The Commission then called Docket No. 1108-GA-08.

Docket No. 1108-GA-08, Mesa County  
Applicant: TC Operating, LLC  
Attorney: Stephen J. Sullivan

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Subject: Appeal of Staff's denial of application for an underground injection control ("UIC") well for the Deer Creek SWD 1 Well, located in the NE $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 2, Township 14 South, Range 98 West, 6<sup>th</sup> P.M.

Comments: Continued from a previous hearing. This will be a full evidentiary hearing.

Peter Gowen, COGCC Enforcement Officer, as Staff Advocate, made opening remarks and presented Jim Milne, COGCC Senior Staff Research Scientist, whom presented the COGCC's case for denying the injection well permit. Following presentation of the Staff's case, Steve Sullivan, attorney for TC Operating, presented its case.

Upon conclusion of testimony, the Commission discussed the matter. Commissioner Spielman stated a strong preference to rely on the testimony of COGCC Staff, comments in the record by DWR and Colorado Geological Survey, and support for the Staff denial from the Water Quality Division of the CDPHE, U.S. Environmental Protection Agency, and U.S. Department of Energy.

Commissioner Pearce commented that the Staff denial of injection well tests proposed by TC Operating (Exhibits 17, 18, 19, and in an unlabeled TC Operating Exhibit distributed with the Commissioners' August prehearing package) was based on the same rationale staff had applied in denying the original application. He stated that the Commission should apply the same rationale in making its decision, and substantively the same conclusion would be reached whether the Commission was deciding the original application or the subsequent proposals for more limited injection for testing purposes. Other Commissioners agreed with this analysis.

Commissioner Pearce also noted that TC Operating had been told in May 2010 that Staff would not authorize injection into the Entrada Formation because it was too shallow, yet proceeded to drill the well anyway at their own risk. Any financial loss from continuing to proceed with the project despite notice that their proposal would not be supported by Staff is their own responsibility.

Commissioner King commented that the Commission needs to consider the big picture as to how its decision in this matter will be viewed across the state, particularly in terms of the need to protect water resources. In his mind, this is an easy decision to protect drinking water aquifers.

Commissioner Spielman moved to affirm Staff's denial of the injection well permit.

The motion was seconded by Commissioner Holton and approved unanimously.

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

Adjourned at 5:37 p.m.

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The Secretary was therefore authorized to issue the following orders:

Order No. 1-177, Docket No. 1108-GA-08, Mesa County. Applicant, TC Operating, LLC. Affirms Staff's denial of an application for an underground injection control ("UIC") well for the Deer Creek SWD 1 Well, located in the NE $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 2, Township 14 South, Range 98 West, 6<sup>th</sup> P.M.

Order No. 1-179, Docket No. 1208-GA-11, Weld County. Applicant, City of Longmont. Approves the request for an order to modify Order No. 1-94, to include the NE $\frac{1}{4}$  NE $\frac{1}{4}$ , SE $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 7, Township 2 North, Range 68 West, 6<sup>th</sup> P.M., as a Designated Outdoor Activity Area.

Order No. 1-180, Docket No. 1208-GA-12, Saguache County. Applicant, Skyline Land Company, LLC, Sam Investments, Inc., Mountain Coast Enterprises, LLC, & Wijaya Colorado, LLC. Approves the request for an order to establish and implement a Surface Use Plan restricting oil and gas surface activities and operations for ten years, for certain lands in Township 41 North, Range 9 East, 6<sup>th</sup> P.M.

Order No. 1-181, Docket No. 1208-GA-13, Weld County. Applicant, Union Reservoir Company & City of Longmont. Approves the request for an order to designate the Union Reservoir Recreation

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Area, certain lands in Township 2 North, Range 68 West, 6th P.M., as a Designated Outdoor Activity Area.

Order No. 1V-391, Docket No. 1208-OV-08, Garfield & Weld Counties. Staff Recommendation. Approves the request for Commission approval of an Administrative Order by Consent (AOC) with **Noble Energy, Inc.**, for failure to report hydrogen sulfide measurements as required by Rule 607.c. for wells located in Garfield and Weld Counties. The AOC provides that Noble Energy contribute \$50,000 to establish and execute a Third Party Hydrogen Sulfide Awareness Program.

Order No. 1V-392, Docket No. 1208-OV-09, Garfield & Weld Counties. Staff Recommendation. Approves the request for Commission approval of an Administrative Order by Consent (AOC) with **Winn Exploration Company, Inc.** (Operator No. 10404) for its operations at the Slanovich 34-27 Pad for failure to comply with the Condition of Approval for the Form 2A and violation of § 34-60-121(1), C.R.S.

Order No. 1V-393, Docket No. 1208-OV-10, Fremont County. Staff Recommendation. Approves the request for Commission approval of an Administrative Order by Consent (AOC) with **Aus-Tex Exploration** (Operator No. 10412) for its operations at the Pathfinder #C 11-12 1 Pad for failure to comply with Condition of Approval for the Form 2A and violation of § 34-60-121(1), C.R.S.

Order No. 1V-394, Docket No. 1208-OV-11, Baca, Washington & Weld Counties. Staff Recommendation. Approves the request that **P & M Petroleum Management, LLC**. (Operator No. 66565) be found in violation of Rule 706. for noncompliance with Commission financial assurance requirements.

Order No. 1V-395, Docket No. 1207-OV-02, Adams County. Staff Recommendation. Approves the Hearing Officer recommendation to foreclose on the financial assurance for the Ruth #1 Well operated by **Ula Pearl Ruth** (Operator No. 90902) and authorizes the COGCC to assume control of the Ruth #1 Well and place it in the COGCC PRAW program.

Order No. 191-95, Docket No. 1208-SP-94, Mamm Creek Field, Garfield County. Applicant, WPX Energy Rocky Mountain, LLC. Approves the request for an order to: 1) vacate Order Nos. 191-8 and 191-10; 2) establish an approximate 292.20-acre drilling and spacing unit consisting of certain lands in Section 1, Township 7 South, Range 91 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group; and 3) revert the remaining approximate 40-acre portion of the established drilling and spacing unit to unspaced lands governed by Rule 318.a.

Order No. 252-11, Docket No. 1208-SP-80, Lefthanded Field, Kiowa County. Applicant, Bayhorse Petroleum, LLC. Approves the request for an order to establish an approximate 40-acre drilling and spacing unit consisting of the NW¼ SE¼ of Section 21, Township 18 South, Range 47 West, 6<sup>th</sup> P.M., to accommodate the Trade Winds 4-21 Well, for the production of oil, gas and associated hydrocarbons from the Shawnee, Lansing-Kansas City, Marmaton, Cherokee, Morrow, Keyes & Mississippian System Formations.

Order No. 252-12, Docket No. 1208-UP-201, Lefthand Field, Kiowa County. Applicant, Bayhorse Petroleum, LLC. Approves the request for an order to pool all interests in an established approximate 40-acre drilling and spacing unit, consisting of the NW¼ SE¼ of Section 21, Township 18 South, Range 47 West, 6th P.M., for the development and operation of the Marmaton Formation.

Order No. 407-670, Docket No. 1207-UP-186, Wattenberg Field, Weld County. Applicant, Mineral Resources, Inc. Approves the request for an order to pool all interests in an approximate 320-acre drilling and spacing unit consisting of the W½ of Section 32, Township 6 North, Range 65 West, 6th P.M., to accommodate the Island Grove 2-32 Well (API No. 05-123-35463), for the development and operation of the Niobrara Formation.

Order No. 407-671, Docket No. 1207-UP-187, Wattenberg Field, Weld County. Applicant, Mineral Resources, Inc. Approves the request for an order to pool all interests in an approximate 320-acre designated wellbore spacing unit consisting of the N½ of Section 2, Township 5 North, Range 66



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West, 6th P.M., to accommodate the Bestway 12-2 Well (API No. 05-123-34649) ("Well"), for the development and operation of the Niobrara Formation.

Order No. 407-672, Docket No. 1207-UP-188, Wattenberg Field, Weld County. Applicant, Mineral Resources, Inc. Approves the request for an order to pool all interests in an approximate 320-acre horizontal wellbore spacing unit for certain lands in Sections 2, and 11, Township 5 North, Range 66 West, 6th P.M., to accommodate the Bestway 6-11 Well (API No. 05-123-35502), for the development and operation of the Niobrara Formation.

Order No. 407-673, Docket No. 1208-AW-15, Wattenberg Field, Weld County. Applicant, Marathon Oil Company. Approves the request for an order to approve up to four horizontal wells within the unit, consisting of Section 22, Township 3 North, Range 63 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order Nos. 407-674 & 535-190, Docket No. 1208-AW-17, Wattenberg Field, Weld County. Applicant, Marathon Oil Company. Approves the request for an order to approve up to four horizontal wells within the unit, consisting of Section 34, Township 7 North, Range 62 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 407-675, Docket No. 1208-SP-87, Wattenberg Field, Weld County. Applicant, EOG Resources, Inc. Approves the request for an order to establish an approximate 640-acre drilling and spacing unit consisting of Section 13, Township 5 North, Range 61 West, 6<sup>th</sup> P.M., and approve one horizontal well within the unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 407-676, Docket No. 1208-SP-88, Wattenberg Field, Weld County. Applicant, EOG Resources, Inc. Approves the request for an order to establish an approximate 640-acre drilling and spacing unit consisting of Section 14, Township 5 North, Range 61 West, 6<sup>th</sup> P.M., and approve one horizontal well within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 407-677, Docket No. 1208-SP-89, Wattenberg Field, Weld County. Applicant, EOG Resources, Inc. Approves the request for an order to establish an approximate 320-acre drilling and spacing unit consisting of the W½ of Section 1, Township 6 North, Range 62 West, 6<sup>th</sup> P.M., and approve one horizontal well within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 407-678, Docket No. 1204-SP-42, Wattenberg Field, Weld County. Applicant, Marathon Oil Company. Approves the request for an order to establish an approximate 320-acre drilling and spacing unit consisting of the E½ of Section 14, Township 3 North, Range 63 West 6<sup>th</sup> P.M., and authorize drilling up to two horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 407-679, Docket No. 1208-UP-213, Wattenberg Field, Weld County. Applicant, Great Western Oil and Gas Company. Approves the request for an order to pool all nonconsenting interests in an approximate 80-acre designated wellbore spacing unit consisting of the W½ SW¼ of Section 33, Township 7 North, Range 65 West, 6<sup>th</sup> P.M., to accommodate the Appaloosa 33-13 Well (API No. 05-123-33003) and Appaloosa 33-14 Well (API No. 05-123-32999) ("Wells"), for the development and operation of the Codell and Niobrara Formations.

Order No. 407-680, Docket No. 1208-UP-214, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all interests within eight approximate 200 to 640-acre designated wellbore spacing units consisting of certain lands in Township 2 North, Range 65 West 6<sup>th</sup> P.M., for the development and operation of the Codell-Niobrara Formation.

Order Nos. 407-681 & 535-198, Docket No. 1208-UP-218, Wattenberg Field, Weld County. Applicant, Marathon Oil Company. Approves the request for an order to vacate Order 535-52, which pooled all interests in an approximate 640-acre drilling and spacing unit that consists of

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Section 34, Township 7 North, Range 62 West, 6<sup>th</sup> P.M., for the development and operation of the Niobrara Formation.

Order No. 407-682, Docket No. 1208-UP-219, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to pool all interests in two approximate 160-acre designated wellbore spacing units consisting of certain lands in various sections in Townships 3 and 4, Range 64 West, 6th P.M., to accommodate the Gutterson D04-30D Well (API No. 05-123-33985) and the Gutterson D04-31D Well (API No. 05-123-33987), for the development and operation of the Codell-Niobrara Formation.

Order No. 407-683 & 232-343, Docket No. 1208-UP-220, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to pool all interests within an approximate 160-acre designated wellbore spacing unit, consisting of certain lands in Township 3 North, Range 65 West, 6th P.M., to accommodate the REI H17-30D Well (API No. 05-123-35346), for the development and operation of the "J" Sand and Codell-Niobrara Formations.

Order No. 407-684 & 232-344, Docket No. 1208-UP-221, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to pool all interests within an approximate 160-acre designated wellbore spacing unit, consisting of certain lands in Township 3 North, Range 65 West, 6th P.M., to accommodate the REI H17-28D Well (API No. 05-123-35343), for the development and operation of the "J" Sand and Codell-Niobrara Formations.

Order No. 407-685, Docket No. 1208-UP-222, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to pool all interests in two approximate 160-acre designated wellbore spacing units, consisting of certain lands in Township 4 North, Ranges 65 and 66 West, 6th P.M., for the development and operation of the Codell-Niobrara Formation.

Order No. 407-686, Docket No. 1208-UP-223, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to affirm Order No. 407-339, pooling all interests in an approximate 160-acre wellbore spacing unit, established for certain lands in Section 29, Township 5 North, Range 66 West, 6th P.M., for the development and operation of the Codell-Niobrara Formation.

Order No. 407-687, Docket No. 1208-UP-224, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to pool all interests within an approximate 316.37-acre designated wellbore spacing unit, consisting of certain lands in Townships 6 and 7, Range 62 West, 6th P.M., to accommodate the Wells Ranch AE06-69-1HN Well (API No. 05-123-35559), for the development and operation of the Niobrara Formation.

Order No. 407-688, Docket No. 1208-UP-225, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to pool all interests within an approximate 160-acre designated wellbore spacing unit consisting of the E½ E½ of Section 7 North, Range 63 West, 6th P.M., to accommodate the Ball Ranch AC04-72HN Well (API No. 05-123-35248), for the development and operation of the Niobrara Formation.

Order No. 407-689, Docket No. 1208-UP-226, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to pool all interests in four approximate 320-acre designated wellbore spacing units, consisting of certain lands in Section 14, Township 7 North, Range 64 West, 6th P. M, for the development and operation of the Niobrara Formation.

Order No. 407-690, Docket No. 1208-UP-231, Wattenberg Field, Weld County. Applicant, PDC Energy, Inc. Approves the request for an order to pool all interests in an approximate 160-acre designated wellbore spacing unit, established for certain lands in Sections 13 and 24, Township 3 North, Range 64 West, 6th P.M., for the development and operation of the Codell-Niobrara Formation.

Order No. 407-691, Docket No. 1208-UP-232, Wattenberg Field, Weld County. Applicant, PDC Energy, Inc. Approves the request for an order to pool all interests in an approximate 160-acre designated wellbore spacing unit, established for the S½ NW¼, N½ SW¼ of Section 25,

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Township 3 North, Range 64 West, 6th P. M., for the development and operation of the Codell-Niobrara Formation.

Order No. 407-692, Docket No. 1208-UP-233, Wattenberg Field, Weld County. Applicant, PDC Energy, Inc. Approves the request for an order to pool all interests in an approximate 160-acre designated wellbore spacing unit, established for the S $\frac{1}{2}$  NW $\frac{1}{4}$ , N $\frac{1}{2}$  SW $\frac{1}{4}$  of Section 21, Township 4 North, Range 67 West, 6th P.M., for the development and operation of the Codell-Niobrara Formation.

Order No. 407-693, Docket No. 1208-UP-234, Wattenberg Field, Weld County. Applicant, PDC Energy, Inc. Approves the request for an order to affirm Order No. 407-562, specifically for eight of the ten designated wellbore spacing units, and pooling all interests for certain lands in Section 10, Township 5 North, Range 76 West, 6th P.M., to accommodate eight drilled Highpointe Wells, for the development and operation of the Codell and Niobrara Formations.

Order No. 407-694, Docket No. 1208-UP-215, Wattenberg Field, Weld County. Applicant, Kerr-McGee Oil & Gas Onshore LP. Approves the request for an order to pool all interests in an approximate 320-acre designated wellbore spacing unit consisting of certain lands in Township 2 North, Range 65 West, 6<sup>th</sup> P.M., to accommodate the Cannon 37C-3HZ Well (API No. Pending), for the development and operation of the Codell Formation.

Order Nos. 407-695 & 232-342 & 293-6, Docket No. 1207-UP-185, Wattenberg Field, Weld County. Applicant, Mineral Resources, Inc. Approves the request for an order to pool all interests in an approximate 160-acre drilling and spacing unit consisting of the SW $\frac{1}{4}$  of Section 2, Township 5 North, Range 66 West, 6th P.M., to accommodate the Westmoor 5 2-6-2 Well (API No. 05-123-34640), for the development and operation of the Sussex, Codell, Niobrara, "J" Sand and Dakota Formations.

Order No. 407-696, Docket No. 1208-UP-212, Wattenberg Field, Weld County. Applicant, Great Western Oil and Gas Company. Approves the request for an order to pool all nonconsenting interests in an approximate 160-acre designated wellbore spacing unit consisting of the SW $\frac{1}{4}$  of Section 33, Township 7 North, Range 65 West, 6th P.M., to accommodate the Lamb 33-53 Well (API No. 05-123-33000), for the development and operation of the Codell and Niobrara Formations.

Order No. 479-22, Docket No. 1208-AW-22, Grand Valley Field, Garfield County. Applicant, WPX Energy Rocky Mountain, LLC. Approves the request an for an order to approve the equivalent of one well per 10 acres, with the permitted well to be no closer than 100 feet from the boundaries of any lease line for the E $\frac{1}{2}$  of Section 12, Township 7 South, Range 96 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Order No. 535-191, Docket No. 1208-AW-18, Unnamed Field, Weld County. Applicant, Marathon Oil Company. Approves the request for an order to approve up to four horizontal wells within the previously established 640-acre drilling and spacing unit, consisting of Section 8, Township 8 North, Range 64 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 535-192, Docket No. 1208-AW-19, Unnamed Field, Weld County. Applicant, Marathon Oil Company. Approves the request for an order to approve up to four horizontal wells within each previously established 640-acre drilling and spacing unit, consisting of Section 8, Township 8 North, Range 66 West, 6th P.M. and Section 4, Township 9 North, Range 66 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

Order No. 535-193, Docket No. 1208-AW-20, Unnamed Field, Weld County. Applicant, Marathon Oil Company. Approves the request for an order to approve up to four horizontal wells within each previously established 640-acre drilling and spacing unit, consisting of Sections 18, 19 and 29, Township 9 North, Range 57 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

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Order No. 535-194, Docket No. 1208-AW-21, Unnamed Field, Weld County. Applicant, Whiting Oil and Gas Corporation. Approves the request for an order to modify Order No. 535-75 to authorize drilling up to three additional horizontal wells in an established 640-acre drilling and spacing unit consisting of Section 2, Township 9 North, Range 59 West 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 535-195, Docket No. 1208-SP-84, Unnamed Field, Weld County. Applicant, Carrizo Oil & Gas, Inc. Approves the request for an order to amend Order Nos. 535-41 and 535-51 to combine two existing 640-acre units to create a single approximate 1280-acre drilling and spacing unit consisting of Sections 17 and 18, Township 7 North, Range 60 West, 6<sup>th</sup> P.M., and allow up to two horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

Order No. 535-196, Docket No. 1208-SP-85, Unnamed Field, Adams County. Applicant, ConocoPhillips Company. Approves the request for an order to establish an approximate 640-acre horizontal wellbore spacing unit consisting of Section 36, Township 3 South, Range 64 West, 6<sup>th</sup> P.M., and approve up to two horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 535-197, Docket No. 1208-SP-90, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to modify Order 535-3 to remove an approximate 640-acre drilling and spacing unit established for Section 29, Township 9 North, Range 58 West, 6th P.M., establish an approximate 320-acre drilling and spacing unit for the W½ of said section, and approve up to four horizontal wells and up to two vertical wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 535-199, Docket No. 1208-UP-227, Unnamed Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to pool all interests in Section 22, Township 8 North, Range 61 West, 6th P.M., to accommodate the Washburn LE 22-78HN Well (API No. 05-123-35060), for the development and operation of the Niobrara Formation.

Order No. 535-200, Docket No. 1208-UP-228, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to pool all interests within an approximate 640-acre drilling and spacing unit for Section 9, Township 9 North, Range 59 West, 6th P.M., to accommodate the Timbro LC13-72HN Well (No API No.), for the development and operation of the Niobrara Formation.

Order No. 535-201, Docket No. 1208-UP-229, Wattenberg Field, Weld County. Applicant, Noble Energy, Inc. Approves the request for an order to modify Order 535-3 to remove an approximate 640-acre drilling and spacing unit established for Section 29, Township 9 North, Range 58 West, 6th P.M., establish an approximate 320-acre drilling and spacing unit consisting of the W½ of Section 29, Township 9 North, Range 58 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 535-202, Docket No. 1207-AW-07, Unnamed Field, Weld County. Applicant, Marathon Oil Company. Approves the request for an order to authorize up to four wells within an approximate 640-acre drilling and spacing unit consisting of Section 32, Township 9 North, Range 64 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

Order No. 539-2, Docket No. 1208-SP-91, Unnamed Field, Morgan & Weld County. Applicant, Vecta Oil & Gas, Ltd. Approves the request for an order to establish fourteen approximate 640-acre exploratory drilling and spacing units consisting of certain lands in Townships 6 and 7 North, Ranges 58 and 59 West, 6<sup>th</sup> P.M., and allow up to two horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Greenhorn Formation.


Order No. 541-1, Docket No. 1208-SP-83, Unnamed Field, Baca County. Applicant, Bayhorse Petroleum, LLC. Approves the request for an order to establish an approximate 40-acre exploratory drilling and spacing unit consisting of the NW¼ NE¼, of Section 17, Township 35 South, Range 47 West, 6<sup>th</sup> P.M., and authorize one well within the unit to accommodate the

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planned Arthur Canyon 1-17 Well (No API No.), for production of oil, gas and associated hydrocarbons from the Red Cave, Topeka, Granite Wash, Campo sand interval, Marmaton, Atoka, Morrow, Keyes & Mississippian System Formations.

FOR THE COLORADO OIL AND GAS  
CONSERVATION COMMISSION



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Robert J. Frick, Secretary

Approved:



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Tom Compton, Chair