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COGCC



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June 2, 2005

Brian Macke, Director VIA FACSIMILE: (303) 894-2109
Colorado Oil & Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

RE: Order 139-43; Colorado Oil & Gas Conservation Commission
and Request for APD Public Hearing

Dear Brian:

Attached please find a copy of correspondence tendered to counsel for Presco concerning the final position of Garfield County on their proposal to amend the existing COGCC order controlling development in the area of the Rulison nuclear blast site. The Board of County Commissioners greatly appreciates your patience in this matter. Throughout this process, you and your staff have requested participation by Garfield County. As a result of that request, it has always been our anticipation that consideration would be given to our position concerning drilling in the vicinity of the blast site, particularly in close proximity to the COGCC established buffer zone. To that end, the Board of County Commissioners tendered correspondence of May 10th and 17th, 2005, setting forth its position concerning appropriate conditions to attach to any well permit issued in this area, as well as proposed amendments to the existing order. As you have been informed, Garfield County and Presco have been unable to resolve all differences concerning Presco's proposals to develop this area. Apparently consideration of an amended order allowing drilling in the vicinity of the buffer zone will not occur on Monday, June 6, 2005. In the unlikely event that the COGCC proceeds with consideration of such a proposal to amend its existing order, Garfield County continues to believe that all conditions it has requested in its letters of May 10 and 17, 2005, are appropriate for conditioning such activity.

The primary areas of disagreement between Presco and Garfield County lie in the number of wells to be drilled pursuant to such

amendment and the default position regarding further development of this area if Presco cannot or does not comply with established conditions. The position of the Board of County Commissioners is set out in detail in the letter tendered to Bill Keefe of this date, a copy of which is attached to this letter. Although unlikely, if this matter proceeds, the Board of County Commissioners asks that copies of all correspondence between itself and your office, including this letter, be tendered to the COGCC in anticipation that they will proceed with consideration of amendment to their existing Rulison blast site buffering order. If necessary, I will attend the meeting of June 6, 2005 by telephone, with appropriate advisors to amplify the position of Garfield County if that is desired by the COGCC. We recognize that the COGCC ultimately controls its own orders and the issuance of permits to drill for natural gas. However, not only has our participation been requested but we believe it is desirable considering the public impact of the Presco proposal. Therefore, if required, we ask that you and your Commission give full and complete consideration to the position of Garfield County in this matter.

Thank you for your consideration of these matters.

Sincerely yours,



DON K. DEFORD
Garfield County Attorney

DKD/pko
Enclosures

cc: Bill Keefe, Esq.
Board of County Commissioners
Doug Dennison, Oil & Gas Liaison