

RECORD OF PROCEEDINGS

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November 27, 2006

The Oil and Gas Conservation Commission met on November 27, at 9:10 a.m. in Suite 801, The Chancery Building, 1120 Lincoln Street, Denver Colorado, for a hearing in Cause Nos. 7, 112 (2 matters), 191 (2 matters), 139, 166, 386, 407 (4 matters), 429, 440, 510, 529, and 1V (2 matters).

Those present were:

Peter Mueller	Chair
Brian Cree	Vice Chair
John Ashby	Commissioner
Thane De Puey	Commissioner
Kimberlee Gerhardt	Commissioner
Tom Reagan	Commissioner
Samuel Potter	Commissioner (telephonically)
Carol Harmon	Assistant Attorney General
Brian Macke	Director
Patricia Beaver	Hearings Manager

Chair Mueller welcomed New Commissioner Thane De Puey who is replacing former Commissioner Michael Klish.

Director's Report: Director Macke stated that approximately five thousand eight hundred (5800) Applications for Permits-to-Drill (APDs) will be approved this year. Six hundred seventeen (617) APDs were received in October and although there is a large backlog of APDs, most are being approved within fifty (50) days of receipt. Garfield County received approximately 205 APDs and Weld County received approximately 154 APDs.

He referred to the table in the staff report which shows a decreasing use of surface bond with approximately 11% of the APDs using a surface bond. Although wells may be permitted with a surface bond, surface use agreements are typically reached prior to drilling. Pioneer used surface bonds in Las Animas County more than any other operators in more than any other area of the state.

Director Macke also mentioned an article that highlighted the Red Apple Subdivision fire that caused damage to the landscape in which Williams is described as stepping up to contribute funds to re-seed the burn area.

Northwest Colorado: The next meeting of the Northwest Colorado Oil and Gas Forum has been scheduled for Thursday, December 7, 2006 from 10:00 a.m. until 2:00 p.m. at the Garfield County fairgrounds in Rifle.

The Phase IV Piceance Basin Baseline Water Quality Study final sampling results will be posted on the COGCC website when available.

The Phase II Hydrogeological Characterization Project in Garfield County is expected to be bidded out in January, 2007.

The investigation has been completed on the crude oil release into Hell Creek at the Lone Pine Field and the cleanup has been completed.

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Director Macke has discussed an amendment to the Mamm Creek Notice to Operators with Jesse Smith, Garfield County Local Government Designee and has removed two (2) townships from the lands covered by the Notice.

The COGCC is continuing to have discussions with Garfield County regarding man camps. AAG Harmon prepared an email correspondence that was sent to Garfield County stating the COGCC's position on jurisdiction.

Kim Kaal, Energy Liaison with the Colorado Department of Wildlife ("CDOW") made a presentation regarding the mule deer habitat study and the plans to study how drilling and reclamation affect deer population. She also described the joint project with the COGCC which will result in an educational DVD being produced, expected to be completed in March 2007. The DVD will showcase the partnerships in place between COGCC and CDOW and will highlighted technological advances, water protection and conservation contraction practices, transportation, vegetation project planning, wildlife management, research partnerships and habitat enhancement projects.

Director Macke believes these projects are worth funding from the COGCC as they comport with the COGCC Wildlife Policy adopted in 1996. Commissioner De Puey would like to know in several months how the DVD project will be distributed. Commissioners Reagan and Gerhardt support the DVD project.

Southwest Colorado: The ongoing investigation, reclamation, and mitigation of the explosion in Bondad has progressed with LT Environmental sumitting a proposal to perform additional work. The contract will be amended in order to get this additional work completed.

The next GORT meeting is scheduled for March 8, 2007, at 8:30 a.m. at the La Plata County Fairgrounds.

The Gas Seep Mitigation Advisory Committee is working to identify sources of funding for both the gas seep mitigation and the Fruitland Outcrop Methane Seepage Mitigation

Oil-impacted soil in Montezuma County is being excavated and disposed of using money from Fund 170 to remediate and reclaim the area.

Northeast Colorado: Approximately fifty-five (55) of the seventy-eight (78) gas wells have been sampled in the Greater Wattenberg Baseline Study.

The Ogallala Aquifer Baseline Study will consist of collecting water samples from approximately seventy-seven (77) water wells in Washington and Yuma Counties for organic and inorganic laboratory analyses. A Scope of Work ("SOW") has been prepared and a Request for Proposal ("RFP") is forthcoming to solicit bids for this work.

Director Macke described the events that have taken place at the Fort Morgan Gas Storage Field since the October 22, 2006 notification of a casing leak at the Well #26 that resulted in the evacuation of nearby residents. Sandra Miller, Environmental Manager at Colorado Interstate Gas ("CIG") and Larry Kennedy, Reservoir Services Manager at CIG were present to respond to Commissioners' questions.

Executive Director's Report: Mike King, Assistant Director of the Department of Natural Resources reported that Executive Director Russ George is closely watching this issue at the Fort Morgan Gas Storage Facility and believes there is a need to make sure that this does not happen again. He welcomed Thane De Puey and is glad to have Chair Mueller and Commissioner Reagan reappointed to another term. Governor Owens has accepted the department's Roadless Task Force proposal.

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An oil shale research and development application is expected to be submitted this week from Shell Oil. The Executive Director's office is working with the Bureau of Land Management on the White River Plan which originally estimated eleven thousand (11,000) wells to be drilled and now anticipates fourteen thousand (14,000) wells. Governor-elect Ritter is working on a transition plan with a team and the Executive Director's office is looking forward to working with them.

Director Macke mentioned the unauthorized disposal of fresh water drilling mud into an abandoned gravel pit in Adams County. On September 5, 2006, the COGCC Environmental Staff received a complaint from an Adams County resident regarding disposal of drilling mud into a former gravel pit located off Haysmount Road in Commerce City. The complainant was concerned about possible impacts to her shallow ground water well located adjacent to the gravel pit. The COGCC investigated the complaint, collected and analyzed samples from the water well, and sampled the disposed drilling mud. No compounds of concern were found in either the water well or in the fresh-water drilling mud.

Southeast Colorado: The contract for the Phase II Raton Basin Seep Mapping Project has been finalized and a kickoff meeting with the project team was held on November 20, 2006.

The COGCC has just approved allowing Pioneer Natural Gas to go into areas in proximity to the water well contaminated areas placing numerous environment and engineering conditions on the approval. Pioneer will be allowed to drill four (4) wells as long as one monitoring well per gas well is installed prior to drilling the gas wells. Water quality data has basically returned to normal.

A complaint from a landowner in the Left Hand Fork Area of Las Animas County concerning stormwater runoff from several oil and gas construction sites was mentioned. The COGCC inspected the well sites and access roads named in the complaint on August 21, 2006, and August 25, 2006. Three NOAVs were issued on August 28, 2006; corrective actions required the implementation of measures to reduce erosion and minimize offsite the transport of sedimentation from disturbed areas. A follow-up site inspection was conducted on October 23, 2006. Pioneer Natural Gas has made significant progress on installing best management practices and conducting reclamation activities. Water Quality Control Division (WQCD) staff inspected the sites on September 28, 2006. The WQCD report has not been finalized.

Staff Organization: The COGCC is pleased to announce the promotions of Margaret Ash and Randall Ferguson to Environmental Protection Specialists (EPS) III. Margaret will be supervising the new southwest EPS II, Peter Gintautas – southeast EPS II, and Steve Lindblom. Randall will be supervising Chris Canfield – northwest EPS II, Bob Chesson – northwest EPS II, and John Axelson – northeast EPS II. The COGCC is pleased to announce the addition of John Axelson, Chris Canfield, and Peter Gintautas to the staff as Environmental Protection Specialists II. The offer for the southwest position EPS has been accepted by Karen Spray and she will begin work on November 29, 2006.

The Fiscal Year 2007-08 budget request was submitted to the Joint Budget Committee on November 1, 2006. Included in the request are the following six decision items and funding requirements, as approved by the Governor's Office: four additional FTE (2 permit technicians, 1 engineer, and 1 accountant) and continuation of funding for four contractors to assist with permitting. Additional lease space for the Denver office is also included in this decision item \$571,472. An application programmer position (1 FTE) \$78,235, a contractor to assist with oil shale permitting \$60,000, Data Cleanup Project \$119,356, Rifle lease space and vehicle for relocated supervising engineer \$37,020, Computer system maintenance – additional funding for information technology \$91,338 was included in this decision item.

On January 8, 2007, the WQCC will consider the adoption of revisions to current provisions regarding water temperature criteria and standards, including proposed revisions to sections 31.5, 31.9, 31.11,

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31.14 and 31.16, in the Basic Standards and Methodologies for Surface Water, Regulation #31 (5 CCR 1002-31), and for consideration of corresponding revisions to the Classifications and Numeric Standards for the Arkansas River Basin, Upper Colorado River Basin and North Platte River, San Juan and Dolores River Basins, Gunnison and Lower Dolores River Basins, Rio Grande Basin, Lower Colorado Basin, and the South Platte, Laramie, Republican and Smoky Hill River Basins, Regulations #32-38 (5 CCR 1002-32 to 38). If adopted, these changes may affect the discharge standards for produced water currently being discharged in several areas in Colorado.

An investigation of oil and gas wells abandoned under the COGCC Environmental Response Fund (ERF) program is in the planning stages. The investigation is intended to verify that potentially hazardous environmental conditions do not exist in the vicinity of these wells by making visual inspections and conducting soil gas surveys. The COGCC staff has compiled a list of 230 wells that will be investigated for an estimated cost of \$130,000. COGCC staff proposes to divide the wells by region and then to hire different contractors tackle the inspections in each region. At today's hearing, COGCC staff will ask the Commission to approve the spending of \$130,000 from the Special Environmental Projects appropriation from Fund 170.

The revised federal regulations regarding "gathering lines" became final on October 1, 2006, and are codified in 49 CFR 192. The revisions to the regulations were made in response to congressional mandates to improve public safety. The revisions provide a more detailed definition for gathering lines and a process for determining the level of oversight and regulation of a gathering line based on risk. The Colorado Public Utilities Commission (CPUC), which enacts and enforces the federal pipeline safety rules in Colorado has also recently conducted rule making. The intent was to incorporate the federal minimum standards with some additional requirements. This rule making was heard by the CPUC on November 17, 2006, however, the final hearing has been delayed until December 1, 2006, to allow for an additional comment period.

Over the next several months the United States Fish and Wildlife Service ("USFWS") intends to work with the oil and gas industry, the Colorado Division of Wildlife, and the COGCC to resolve the problem of bird deaths related to fired equipment. The USFWS is not pursuing criminal charges at this time, but will begin enforcement on March 1, 2007.

The environmental staff will present the COGCC's Annual Report to the Water Quality Control Commission on December 11, 2006. A copy of the written report will be provided to the COGCC Commissioners and will be available on the COGCC website (www.oil-gas.state.co.us) under "Library."

Public Outreach: Brian Macke and Debbie Baldwin provided an update on COGCC activities and a presentation about COGCC regulation during a meeting of the Colorado Department of Public Health and the Environment (CDPHE) Oil and Gas Team on October 31, 2006.

Brian Macke provided an update on COGCC activities and oil and gas regulation and a discussion of upcoming COGCC priorities during a meeting of the Colorado Petroleum Association (CPA) Environmental Committee at the CPA Annual Meeting in Denver on November 14, 2006.

Brian Macke has been invited to participate in a panel discussion titled "Oil and Gas Expansion Issues" at the Colorado Weed Management Association/Colorado Section of the Society for Range Management Joint Meeting in Grand Junction, Colorado on December 6, 2006. This is the first occasion that these two organizations have held a combined meeting, and is a good opportunity for the COGCC to provide education and outreach to these stakeholders.

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Brian Macke has been invited to provide an update on oil and gas development in Colorado with an emphasis on Northwest Colorado and COGCC regulations during a meeting of the Northwest Colorado Energy Producers Association on December 7 in Craig, Colorado.

The onsite inspection policy update shows that this policy has been extremely helpful with surface owners with only thirty (30) onsite inspections having to be conducted out of a total of fifty-eight (58) requests submitted.

A discussion was held concerning the need for a Commission retreat. Tricia Beaver suggested the possibility of holding a retreat on January 9, 2007, at 9 a.m. if there is no second day needed for hearings. She described the January 2007 docket, the streamlining process for applicants, the 2007 hearing schedule, and the need to identify where to go in 2007 for out-of-town hearings.

Director Macke discussed the two (2) APDs in Saguache County and the attention the proposed wells have garnered from the local citizens.

He mentioned the color aerial photographs from the Department of Agriculture that have been added to the COGCC GIS Online system.

Assistant Attorney General's Report: Assistant Attorney General Harmon provided a confidential Litigation Memorandum and reported that the oldest and the newest legal matters are coming up for oral argument and a status conference in December.

Commissioner Comments: Commissioner Gerhardt welcomed the new hires and newly appointed Commissioner De Puey. Commissioner Potter welcomed Commissioner De Puey and thanked Chair Mueller and Commissioner Reagan for agreeing to continue to serve. He believes that without the industry's assistance the Red Apple Fire would have been much worse. Chair Muller suggested that Garfield County and COGCC jointly issue a thank you letter to operators who assisted.

Audience Comments: Ken Wonstolen, Attorney for the Colorado Oil and Gas Association ("COGA"), stated that he will be leaving COGA at the end of the year. He will now be with the law firm of Fulbright & Jaworski. He also discussed the bird fatalities from heater/treaters and encourages COGCC to issue a policy calling on operators to install screening devices on stacks and not to worry about enforcement since USFWS will fine fifteen thousand (\$15,000) per occurrence. COGA is working with the Air Pollution Control Division for a May, 2007 rulemaking revision hearing. Mr. Wonstolen described the three (3) day rulemaking hearing held by the Air Pollution Control Commission with no resolution. December 17, 2006, is the next rulemaking hearing on these issues. COGA is concerned about the attempt to have others try to take authority over COGCC jurisdictional matters and wants to make sure that the COGCC regulates all aspects of oil and gas without intrusion from other agencies.

Consent Agenda: In response to Chair Mueller's question regarding whether any Commissioners have a conflict of interest with any of the matters on the Consent Agenda, Commissioner Potter mentioned that he has an ongoing relationship with Williams and his son is employed by Williams; neither of which he thinks presents a conflict. Commissioner Ashby commented on the proposed orders from ConocoPhillips, Kerr-McGee and Antero.

A motion was made by Commissioner Gerhardt to approve the consent agenda, seconded by Commissioner Reagan and approved unanimously.

Cause No. 191, Docket No. 0609-SP-42, request for an order to vacate certain lands in the N½ of Section 18, Township 6 South, Range 92 West, 6th P.M. from the provisions of Order Nos. 191-25 and 510-16 and establish a 256.92 drilling and spacing unit for the N½ of Section 18, Township 6

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South, Range 92 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause No. 166, Docket No. 0611-AW-25, request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the lease line for certain lands in Township 10 South, Ranges 94 and 95 West, 6th P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Cause No. 386, Docket No. 0611-AW-26, request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the lease line for Sections 20 and 21, Township 9 South, Range 92 West, 6th P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Cause No. 429, Docket No. 0611-AW-27, request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the lease line for certain lands in Township 9 South, Ranges 93 and 94 West, 6th P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Cause No. 529, Docket No. 0611-AW-28, request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the lease line for certain lands in Townships 8 and 9 South, Range 92 West, 6th P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Cause No. 510, Docket No. 0611-AW-29, request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the lease line for certain lands in Township 7 South, Range 97 West, 6th P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Cause No. 7, Docket No. 0611-EX-08, request for an order allowing an exception location to Order No. 7-3, for the surface location of the DuBois 7H Well located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 6, Township 9 North, Range 52 West, 6th P.M. and a bottom hole location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 7, Township 9 North, Range 52 West, 6th P.M., to be located no closer than 200 feet from the south boundary of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 7 and no closer than 400 feet to any existing well producing from the Dakota O-Sand Formation, for the production of gas and associated hydrocarbons from the Dakota O-Sand Formation.

Cause No. 191, Docket No. 0610-SP-48, request for an order to vacate the 320-acre drilling and spacing unit in the E $\frac{1}{2}$ of Section 15, Township 6 South, Range 92 West, 6th P.M. established in Order No. 191-21 and establish two (2) approximate 160-acre drilling and spacing units for said lands, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause Nos. 139 & 440, Docket No. 0611-AW-31, request for an order to allow the equivalent of one well per 20 acres in the E $\frac{1}{2}$ of Section 16, Township 7 South, Range 95 West, 6th P.M., with the permitted well to be located no closer than 200 feet for the Williams Fork Formation and 400 feet for the Iles Formation, from the lease line for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause No. 407, Docket No. 0611-UP-14, request to pool all nonconsenting interests in the 160-acre drilling and spacing unit consisting of the W $\frac{1}{2}$ NE $\frac{1}{4}$ and the E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 24, Township 5 North, Range 66 West, 6th P.M., for the development and operation of the Codell-Niobrara Formations.

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Cause No. 407, Docket No. 0611-UP-15, request to pool all nonconsenting interests in the 80-acre drilling and spacing unit consisting of the W½ NE¼ of Section 24, Township 5 North, Range 66 West, 6th P.M., for the development and operation of the Codell-Niobrara Formations.

Cause No. 407, Docket No. 0611-UP-16, request to pool all nonconsenting interests in the 160-acre drilling and spacing unit consisting of the S½ NW¼ and the N½ SW¼ of Section 24, Township 5 North, Range 66 West, 6th P.M., for the development and operation of the Codell-Niobrara Formations.

Cause No. 407, Docket No. 0611-UP-17, request to pool all nonconsenting interests in the 160-acre drilling and spacing unit consisting of the NE¼ of Section 24, Township 5 North, Range 66 West, 6th P.M., for the development and operation of the Codell-Niobrara Formations.

Cause No. 112, Docket No. 0611-UP-18, request to pool all nonconsenting interests in the 320-acre drilling and spacing unit consisting of the W½ of Section 31, Township 33 North, Range 9 West, N.M.P.M., for the development and operation of the Mesaverde Formation.

Cause No. 112, Docket No. 0611-AW-33, request for an order to allow up to four (4) wells to be optionally drilled in the 320-acre drilling and spacing unit consisting of the S½ of Section 31, Township 33 North, Range 9 West, N.M.P.M., with the permitted well to be located no closer than 660 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Cause No. 1V, Docket No. 0611-OV-14, request to approve an Administrative Order by Consent finding Maralex Resources, Inc. in violation of Rules 324.A.a., 324.A.b., and 902.a. for adverse environmental impacts from discharge of exploration and production waste from the reserve pit associated with the Keegan Patrick 33-7-11 #2A Well located in the NW¼ SW¼ of Section 11, Township 33 North, Range 7 West, N.M. P.M.

Cause No. 1V, Docket No. 0611-OV-15, request to approve an Administrative Order by Consent finding Delta Petroleum Corp. in violation of Rules 903.a.(1)., failure to submit a Pit Report/Permit Form 15, 904.a.(1)., failure to line the drilling pits, 910.a., exceeding Allowable Inorganics in soils and 1003.b.(2)., failure to properly close drilling pits on non-croplands for the Daisy #41PR-29349 Well.

The meeting adjourned at 12:50 p.m.

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The Secretary was therefore authorized to issue the following orders:

Order No. 191-40, Mamm Creek Field, Garfield County: Approves the request for an order to vacate certain lands in the N½ of Section 18, Township 6 South, Range 92 West, 6th P.M. from the provisions of Order Nos. 191-25 and 510-16 and establish a 256.92 drilling and spacing unit for the N½ of Section 18, Township 6 South, Range 92 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Order No. 166-24, Plateau Field, Mesa County: Approves the request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the lease line for certain lands in Township 10 South, Ranges 94 and 95 West, 6th P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Order No. 386-2, Hightower Field, Mesa County: Approves the request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet

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from the lease line for Sections 20 and 21, Township 9 South, Range 92 West, 6th P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Order No. 429-5, Brush Creek Field, Mesa County: Approves the request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the lease line for certain lands in Township 9 South, Ranges 93 and 94 West, 6th P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Order No. 529-1, Hell's Gulch Field, Mesa County: Approves the request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the lease line for certain lands in Townships 8 and 9 South, Range 92 West, 6th P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Order No. 510-29, Logan Field, Mesa County: Approves the request for an order to allow the equivalent of one well per 10 acres, with the permitted well to be located no closer than 100 feet from the lease line for certain lands in Township 7 South, Range 97 West, 6th P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation.

Order No. 7-4, Padroni West Field, Logan County: Approves the request for an order allowing an exception location to Order No. 7-3, for the surface location of the DuBois 7H Well located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 6, Township 9 North, Range 52 West, 6th P.M. and a bottom hole location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 7, Township 9 North, Range 52 West, 6th P.M., to be located no closer than 200 feet from the south boundary of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 7 and no closer than 400 feet to any existing well producing from the Dakota O-Sand Formation, for the production of gas and associated hydrocarbons from the Dakota O-Sand Formation.

Order No. 191-41, Mamm Creek Field, Garfield County: Approves the request for an order to vacate the 320-acre drilling and spacing unit in the E $\frac{1}{2}$ of Section 15, Township 6 South, Range 92 West, 6th P.M. established in Order No. 191-21 and establish two (2) approximate 160-acre drilling and spacing units for said lands, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Order Nos. 139-67 & 440-38, Parachute & Rulison Fields, Garfield County: Approves the request for an order to allow the equivalent of one well per 20 acres in the E $\frac{1}{2}$ of Section 16, Township 7 South, Range 95 West, 6th P.M., with the permitted well to be located no closer than 200 feet for the Williams Fork Formation and 400 feet for the Iles Formation, from the lease line for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Order No. 407-290, Wattenberg Field, Weld County: Approves the request to pool all nonconsenting interests in the 160-acre drilling and spacing unit consisting of the W $\frac{1}{2}$ NE $\frac{1}{4}$ and the E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 24, Township 5 North, Range 66 West, 6th P.M., for the development and operation of the Codell-Niobrara Formations.

Order No. 407-291, Wattenberg Field, Weld County: Approves the request to pool all nonconsenting interests in the 80-acre drilling and spacing unit consisting of the W $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 24, Township 5 North, Range 66 West, 6th P.M., for the development and operation of the Codell-Niobrara Formations.

Order No. 407-292, Wattenberg Field, Weld County: Approves the request to pool all nonconsenting interests in the 160-acre drilling and spacing unit consisting of the S $\frac{1}{2}$ NW $\frac{1}{4}$ and the N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 24, Township 5 North, Range 66 West, 6th P.M., for the development and operation of the Codell-Niobrara Formations.

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Order No. 407-293, Wattenberg Field, Weld County: Approves the request to pool all nonconsenting interests in the 160-acre drilling and spacing unit consisting of the NE¼ of Section 24, Township 5 North, Range 66 West, 6th P.M., for the development and operation of the Codell-Niobrara Formations.

Order No. 112-196, Ignacio-Blanco Field, La Plata County: Approves the request to pool all nonconsenting interests in the 320-acre drilling and spacing unit consisting of the W½ of Section 31, Township 33 North, Range 9 West, N.M.P.M., for the development and operation of the Mesaverde Formation.

Order No. 112-197, Ignacio-Blanco Field, La Plata County: Approves the request for an order to allow up to four (4) wells to be optionally drilled in the 320-acre drilling and spacing unit consisting of the S½ of Section 31, Township 33 North, Range 9 West, N.M.P.M., with the permitted well to be located no closer than 660 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Fruitland coal seams.

Order No. 1V-306, La Plata County: Approves the request to approve an Administrative Order by Consent finding Maralex Resources, Inc. in violation of Rules 324.A.a., 324.A.b., and 902.a. for adverse environmental impacts from discharge of exploration and production waste from the reserve pit associated with the Keegan Patrick 33-7-11 #2A Well located in the NW¼ SW¼ of Section 11, Township 33 North, Range 7 West, N.M. P.M.

Order No. 1V-307, Washington County: Approves the request to approve an Administrative Order by Consent finding Delta Petroleum Corp. in violation of Rules 903.a.(1)., failure to submit a Pit Report/Permit Form 15, 904.a.(1)., failure to line the drilling pits, 910.a., exceeding Allowable Inorganics in soils and 1003.b.(2)., failure to properly close drilling pits on non-croplands for the Daisy #41PR-29349 Well.

Patricia C. Beaver, Secretary

Approved:

Peter M. Mueller, Chair