

RECORD OF PROCEEDINGS

November 5, 2007

The Oil and Gas Conservation Commission met on November 5, 2007 at 9:00 a.m. in Suite 801, The Chancery Building, 1120 Lincoln Street, Denver Colorado, for a hearing in Cause Nos. 1, 1V (2 matters), 139 (2 matters), 232 and 407, 440, and 530.

Those present were:

Harris Sherman	Chair
Joshua Epel	Vice Chair
Rich Alward	Commissioner
Tom Compton	Commissioner
Mark Cutright	Commissioner
Michael Dowling	Commissioner
Kim Gerhardt	Commissioner
Trési Houpt	Commissioner
Jim Martin	Commissioner
Kelly Rees	Assistant Attorney General
David Neslin	Acting Director
Tricia Beaver	Hearings Manager

Chair Sherman stated that the approval of the October minutes will be deferred until later in the day. He recognized former COGCC Director Macke and thanked him for his service. Commissioner Dowling thanked Mr. Macke for his service and stated that he will be missed him. Commissioner Gerhardt expressed her sadness in seeing Mr. Macke leave and hopes she will have other opportunities to work with him. Commissioner Houpt thanked Mr. Macke for his leadership and the good discussions they have had over the years. Commissioner Alward expressed that he knows he is losing things he does not even know about yet with Mr. Macke's departure.

Mr. Macke commented that the COGCC staff is a hard-working, dedicated group of experts who are trust-worthy and able to be trusted, and he offered his help whenever he is needed.

Chair Sherman read into the record a resolution formally recognizing Mr. Macke's service to the state, motioned by Commissioner Compton, seconded by Commissioner Gerhardt and approved unanimously.

Executive Director's Report: DNR Assistant-Energy Director David Neslin echoed comments made by the Commission and feels he has lost a mentor and a friend with Mr. Macke's departure. Mr. Neslin is glad that Mr. Macke will be around to help out with the rulemaking. Mr. Neslin provided an update on the Parkland Estate-Kerr McGee matter to say that parties are making progress. Kerr-McGee has asked for a continuation to the December hearing and the homeowners are okay with the continuance. A second continuation to January might be needed. Several operators presented a sampling and analysis plan to COGCC staff and CDPHE to address concerns about drilling within the 3 mile notification area around Project Rulison. The proposal has been reviewed by both staffs and shared with the DOE for their comments. The COGCC staff is getting back to the operators to relay concerns and hope to be able to share the plan with other the stakeholders in the near future. HB07 1341 and 1298 rulemaking is continuing to progress with CDPHE and DOW to prepare rules and a concept to share with stakeholders on November 16 and 19. A narrative proposal will be circulated and posted after the stakeholder meetings. A draft of the proposed rule language will be circulated approximately February-March 2008 and public meetings will be held in December in Weld, Garfield, La Plata, Yuma and Denver Counties.

Commissioner Houpt asked how the local governments will be noticed about the public meetings and Commissioner Gerhardt asked if the Commissioners could get a copy of the narrative concept when it

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is ready. Commissioner Compton asked how the data near Project Rulison will be collected and if there will be a clearing house for the data. Vice Chair Epel suggested asking stakeholders for their consensus in getting an extension from the legislature to adopt rules. Chair Sherman believes that soon we should sit down with Senator Isgar and Representative Curry to provide them with an update on rulemaking and start the discussion on needing an extension of time to adopt the Rules.

Director's Report: Acting Director Neslin stated that approximately 5,142 APDs have been processed as of October 26, 2007. He stated that we are on track to approve 6280 APDs by years' end.

Northwest Colorado: The next Northwest Colorado Oil and Gas Forum is scheduled for December 6, 2007, from 10:00 a.m. until 2:00 p.m. at the Garfield County Fairgrounds in Rifle.

The Garfield County Phase II Hydrogeologic Characterization Project is being conducted for Garfield County by S. S. Papadopulos & Associates. This is another Public Project In Lieu of Fines that will be funded by EnCana. Task 1 – Domestic Water Well Sampling was completed in August 2007. Water samples have been collected from 66 water wells and submitted for laboratory analysis. Representatives of COGCC, Garfield County, and S. S. Papadopulos & Associates met on September 25, 2007 to discuss the status of and future activities for this project. Subsequent to this meeting, locations for Task 2 sampling were selected. Production gas and produced water samples will be collected from gas wells in areas where domestic well sampling results indicate elevated concentrations of methane or higher than expected total dissolved solids concentrations. This sampling will be conducted with the assistance of area operators in the latter half of November 2007.

Chris Canfield, Northwest Area Environmental Protection Specialist, continues to work with the Parachute, Piceance, Roan Creek (PPR) Local Working Group on a review of the Draft Colorado Greater Sage-Grouse Conservation Plan. Separately, Chris is also working with the PPR Local Working Group on the development of a PPR-Specific Greater Sage-Grouse Conservation Plan and associated Best Management Practices (BMPs) to guide landowners, land users, and land managers in an effort to lessen the impact of oil and gas development activities on Greater Sage-Grouse.

Southwest Colorado: On behalf of the COGCC, LT Environmental (LTE) conducted a soil gas survey of the Bondad area in late September 2007 to determine whether the presence of methane in the soil is still limited to the area immediately adjacent to the Bryce 1-X Well. The September survey did not detect any methane in the soil at any of the monitoring points and methane was not detected within the Fire Station building. Frost-proof hydrants are being installed on the nearby water wells and groundwater samples will be collected and analyzed to evaluate potential changes in methane concentrations in the groundwater. Additional soil gas surveys will be conducted throughout the year to verify the lack of methane in the shallow soils.

Debbie Baldwin, Karen Spray, and Steve Lindblom continue to work with La Plata County Energy Council, La Plata County, and USFS/US BLM personnel to develop work plans for the gas seep monitoring and mitigation projects in La Plata and Archuleta Counties. Funding for these projects will come from the increased COGCC mill levy on production. Preliminary work to identify locations for monitoring wells is being conducted in both La Plata and Archuleta Counties. Mapping of the Fruitland–Pictured Cliffs contact has been conducted at several locations along the outcrop in Archuleta County and several proposed well locations were inspected by COGCC and USFS staff in September. Surface access agreements with federal agencies and private property owners are in the process of being negotiated and memorialized. A date for the next Technical Working Group meeting is being discussed. COGCC and USFS staffs are preparing a draft mission statement for review by the Technical Working Group. In addition, COGCC staff are preparing Scopes of Work that will be reviewed by the Technical Working Group and then used in the COGCC Request(s) for Proposals (RFPs) to procure the services of third-party contractors.

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Northeast Colorado: The Fort Morgan Gas Storage Field (Field) is located approximately 5 miles south of Fort Morgan, Colorado, in Morgan County and is operated by Colorado Interstate Gas (CIG), an El Paso Corporation. On October 22, 2006, COGCC staff were notified of a casing leak on Well #26 that had necessitated the evacuation of nearby residents. The gas flow from the well was safely shut off on October 22, 2006, and there were no personal injuries. CIG estimates that between 650 and 700 MMcf were lost based on inventory analysis, flow calculations, and chart measurement. Two nearby residences remain evacuated; residence H100 located approximately 1,000 feet east of the compressor facility, and residence H101 located approximately 1,400 feet southeast of the facility. CIG has collected samples from over 50 domestic water wells within a 3-mile radius of Well #26. Residence H100 is the only domestic water well where dissolved methane was detected at concentrations greater than 2 milligrams per liter (mg/l), which is a theoretical threshold concentration at which there exists a potential for methane to accumulate to potentially explosive levels in unventilated areas. Trace concentrations of BTEX compounds have been detected in 5 domestic water wells. A total of 85 cone penetrometer test (CPT) borings were advanced across the field area. Seventy-eight (78) of these were completed in the shallow aquifer zone and 7 were completed in the deep aquifer zone. Dissolved methane was detected in 15 CPT piezometers at concentrations greater than 2 mg/l during the pre-irrigation sampling event in March 2007 and in 9 CPT piezometers during the post-irrigation sampling event in June 2007. Benzene was detected in CPT #41D at a concentration of 6.0 µg/l during the June 2007 sampling event. The Colorado Basic Standards for Ground Water for benzene is 5.0 µg/l. As a result, COGCC staff issued a Notice of Alleged Violation to CIG on August 31, 2007, for exceeding the benzene standard for ground water. The CIG's Interim Report was received by the COGCC on August 24, 2007. COGCC staff is in the process of reviewing the report.

Southeast Colorado: COGCC staff continue to work with the City of Trinidad and its representatives to resolve the NOAV that was issued in response to an explosion caused by gas emanating from the Trinidad MGP #1 Well (API 05-071-06045). The August 29, 2007, soil gas survey of the area, which was conducted by the LT Environmental on behalf of the COGCC, showed elevated concentrations of methane only in a small area immediately adjacent to the well. The City, in consultation with other interested parties, has determined that various downhole tests should be conducted prior to plugging and abandoning the well to determine the cause of the leak. The COGCC staff believe that the site is relatively safe, based on the soil gas survey results and the City's commitment to maintain security fencing and warning signs around the site as required by the NOAV, and has agreed to allow the City additional time.

In response to complaints from landowners regarding the appearance of methane in their water wells, the COGCC staff recommended and the Commission approved an emergency order at the July 2007 hearing to use environmental emergency response funds to conduct an investigation of Huerfano County Water Wells Venting Methane. On behalf of the COGCC, Buys and Associates, Inc. continued to conduct weekly methane screening of 39 water wells in a 14 square-mile area centered around the area where 11 water wells have been impacted by thermogenic methane. To date, the water wells have been surveyed 7 times. Petroglyph Energy Inc. has continued to voluntarily keep its 52 wells shut-in while the approved Investigation, Monitoring and Mitigation Program is conducted. The objective of the program is to determine whether the CBM reservoir in this area can be produced without creating significant impacts to public health, safety and the environment. Petroglyph conducted an aerial methane seep survey and a field soil gas mapping program. These activities are being conducted to identify and quantify methane seep areas and to determine whether these methods are adequate for monitoring if and when production restarts. Petroglyph continues to provide pressure data from the shut-in wells. Petroglyph's third-party contractor continues to assist with water well monitoring and the screening of additional water wells for the presence of methane. Petroglyph provided a PowerPoint presentation to COGCC staff on October 5, 2007, that summarized the work conducted to date and provided an overview of the proposed monitoring and testing plan that they will implement when and if they resume pumping the wells and producing gas. COGCC staff provided input and comment on the plan and continue to work with Petroglyph to ensure that the

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resource can be developed without creating significant impacts to public health, safety and the environment. On October 16, 2007, the COGCC Director issued a Cease and Desist Order to Petroglyph requiring their wells to remain shut-in for 30 days. COGCC staff will continue discussion with Petroglyph during this time to determine appropriate conditions and precautions that might allow for gas production while protecting the domestic water wells from impacts by oil and gas operations. On October 20, 2007, Peter Gintautas attended a meeting with River Ranch Subdivision and other affected residents and Petroglyph at which Petroglyph presented their proposed monitoring and testing plan. In addition, Margaret Ash and Peter Gintautas attended a meeting with the Huerfano County Commissioners on October 24, 2007, at which Petroglyph made a similar presentation.

Staff Organization: The COGCC staff have done a lot of work on pit inspections and issued numerous NOAVs, with fines are being proposed for some of these pit violations.

A preliminary docket for the December 2007 hearing has been provided. Hearings Manager Beaver described how the first day of the hearing will be at the COGCC office and the second day will be at the Renaissance Hotel as a joint meeting with the Wildlife Commission.

There was no report from the Assistant Attorney General.

Commissioner Comments: Commissioner Houpt described her visit with La Plata County Commissioners and local citizens and Saguache County Commissioners, and stated that she went on several field tours. Commissioner Gerhard is pleased that Leslie Melton has replaced Mark Weems and that Mark Weems has received a promotion. Commissioner Compton has seen a proposal for carbon sequestration in La Plata County and inquired as to whether COGCC will be involved. COGCC Engineering Manager Dave Dillon indicated that only if the project is for enhanced recovery will the COGCC be involved. Vice Chair Epel stated that his company is involved in a project for carbon sequestration in New Mexico.

Consent Agenda: Commissioner Houpt needs to recuse herself from Cause No. 139, Docket 0711-UP-31 and she stated that she would also like to pull Cause No. 139, Docket No. 0711-SP-33 for discussion. Commissioner Alward stated that he would like to pull the two AOCs to discuss the fine amounts.

A motion was made by Vice Chair Epel, to approve the Consent Agenda except for Docket No. 0711-SP-33 and the two AOCs, seconded by Commissioner Compton. Commissioner Martin motioned to amend the motion to remove Cause No. 139, Docket No. 0711-UP-31 and the motion was approved unanimously.

A motion was made by Commissioner Martin, seconded by Commissioner Compton to approve Cause No. 139, Docket No. 0711-UP-31, and the motion was approved unanimously with Commissioner Houpt's recusal.

Commissioner Houpt stated her concern in approving Cause No. 440, Docket No. 0711-SP-33, while there is ongoing work on APDs for sampling and monitoring. A motion was made by Commissioner Dowling, seconded by Commissioner Gerhardt to approve Cause No. 440, Docket No. 0711-SP-33, and the motion was approved by all Commissioners except Commissioner Houpt.

A discussion on Cause Nos. 232 & 407, Docket No. 0711-UP-32, and the letter filed by the Hobbs Trust attorney was held. EnCana's Attorney Susan Aldridge described the Hobbs' concerns as she discussed with their attorney. Mr. Iaridis indicated that his clients want to renegotiate their leases to prevent surface occupancy. Ms. Aldridge indicated that his clients have accepted royalties for 20 years, and as recently as two weeks ago. A motion was made by Commissioner Compton, seconded by Commissioner Dowling to approve Cause Nos. 232 & 407, Docket No. 0711-UP-32, and the motion was approved unanimously.

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Commissioner Alward asked about the differences in fine amounts between the two AOCs. It was clarified that in Cause No. 1V. 0711-OV-09, the fine amount should be \$3000.00 not \$2000.00. Environmental Supervisor Randall Ferguson described how the fine amount was calculated. Environmental Manager Debbie Baldwin described that the term "Sensitive Area" has been evolving and how now designated ground water basins are included in Sensitive Areas. A motion was made by Commissioner Compton, seconded by Commissioner Gerhardt to approve Cause No. 1V, Docket Nos. 0711-OV-09 and 0711-OV-10. After additional discussion, the motion was approved unanimously.

The following matters were approved on the Consent Agenda:

Cause No. 530, Docket No. 0711-SP-31, request for an order to establish 160-acre drilling and spacing units consisting of the SW $\frac{1}{4}$ of Section 31, Township 12 North, Range 96 West, 6th P.M., and the SE $\frac{1}{4}$ of Section 36, Township 12 North, Range 97 West, 6th P.M., with the permitted well to be located no closer than 600 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Fox Hills Formation.

Cause No. 139, Docket No. 0711-UP-31, request to pool all nonconsenting interests in the 320-acre drilling and spacing unit consisting of the W $\frac{1}{2}$ of Section 20, Township 6 North, Range 93 West, 6th P.M. for the proposed Overcracker Federal 20-14D Well, for the development and operation of the Williams Fork Formations.

Cause No. 440, Docket No. 0711-SP-33, request for an order to allow the equivalent of one (1) well per 20 acres, with the permitted well to be located no closer than 200 feet from the unit boundary in the E $\frac{1}{2}$ of Section 15, Township 7 South, Range 95 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause No. 139, Docket No. 0711-SP-32, request for an order to establish 40-acre drilling and spacing units consisting of the NW $\frac{1}{4}$ NE $\frac{1}{4}$, the NE $\frac{1}{4}$ NE $\frac{1}{4}$ and the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3, Township 8 South, Range 96 West, 6th P.M., and allow one well per 10 acres, with the permitted well to be located no closer than 100 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause Nos. 232 & 407, Docket No. 0711-UP-32, request for an order to establish a 320-acre drilling and spacing unit for the W $\frac{1}{2}$ of Section 18, Township 1 North, Range 68 West, 6th P.M., and to pool all nonconsenting interests in said unit for the proposed Sosa 11-18, 12-18, 21-18 and 22-18 Wells, for the development and operation of the "J" Sand, Codell and Niobrara Formations.

Cause No. 1V, Docket No. 0711-OV-09, request to approve an Administrative Order by Consent for failure by Diversified Operating Corporation to comply with Rule 905.a., failure to submit a Site Investigation and Remediation Workplan, Form 27, for prior COGCC approval before closing an unlined production pit; and Rule 907.a.(1)., failure to ensure that E&P waste is properly stored, handled, transported, treated, recycled or disposed to prevent threatened or actual significant adverse environmental impacts to air, water, soil or biological resources for the Long Draw #1-22 Well located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 22, Township 3 North, Range 62 West, 6th P.M.

Cause No. 1V, Docket No. 0711-OV-10, request to approve an Administrative Order by Consent for failure by Red River Ranch Holdings LLC. to comply with Rule 209., failure to take special precautions in drilling the Red River Ranch No.18-3E Well located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 18, Township 35 South, Range 67 West, 6th P.M., Rule 324A.a. for not taking adequate precautions to prevent significant adverse environmental impacts to water resources, Rule 324A.b. for violating WQCC's standard that surface waters of the state shall be free from substances attributable to human-caused point source or non-point source discharge, Rule 907.a.(1) for not ensuring that E&P waste was properly treated, stored, handled, or disposed of to prevent threatened or actual significant adverse environmental impact, and Rule 907.a.(2) for failure to conduct E&P waste management activities and

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construct and operate E&P waste facilities to protect the waters of the state from significant adverse environmental impact.

A presentation was made by Tom Shipps, attorney for the Southern Ute Indian Tribe titled, "Energy Development in Multiple Jurisdictions on the Southern Ute Indian Tribe Reservation." He provided a power point presentation which described the history of the tribe from 1868 through 1899, and after 1899, when the Public Law was passed confirming the exterior boundaries of the reservation. His presentation showed surface ownership on the reservation, allotments held by some tribal members, mineral ownership on the reservation, and the Fruitland outcrop. Mr. Shipps discussed fee coal, oil and gas along with tribal surface ownership and general jurisdictional principles and issues. Commissioner Gerhardt asked about the Ute Mountain Ute Indian Tribe and their more mature production in the Paradox Basin. He indicated that there are only 2 to 3 folks working on energy issues at the Ute Mountain Ute Reservation. Mr. Shipps stated that 70% of the annual Southern Ute Indian Tribe revenue comes from oil and gas.

Power point presentations were made by Rex Cole, Mesa State University and Joel Fox, EnCana Oil & Gas (USA) Inc., titled "Geologic and Engineering Models Supporting the Need for Increased Well Density". Mr. Cole described the geology of the Piceance Basin, including that the Cameo coals are a source for gas, that there are riverbourne sand bodies present in the Williams Fork Formation, that the Iles Formation consists of shoreline deposits, that there are both single story channel or multiple story channel sandstones in the Williams Fork Formation, with point bars being very common. He stated that 888 sand bodies have been mapped using LiDar-lazer mapping. Joel Fox described the basic reservoir engineering and well density concepts in the Piceance Basin including porosity and permeability of the Williams Fork Formation, well performance, data on 10, 20 and 40 acre downhole well density, Williams Fork Formation volumetrics, and production decline analysis.

A hearing was held in Cause No. 1, Docket No. 0707-GA-01, request for an order to amend or rescind Order No. 1V-238 which required re-entry and re-plugging of the Bucklen #2-34 Well, located in the SW¼ NW¼ of Section 34, Township 17 South, Range 46 West, 6th P.M. Commissioner Cutright stated that the company that he previously worked for drilled the well in question, however he believes he does not have a conflict.

Jack McCartney, consulting petroleum engineer for Monument, presented testimony on ten exhibits to show the cost and technical feasibility of re-entering and re-plugging the Bucklen Well.

When asked by the Commission about the COGCC staff's position on this matter, Carol Harmon, COGCC Enforcement Officer, indicated that the COGCC staff would like to see a second attempt made to properly plug and abandon the well to enforce the rules. David Dillon, COGCC Engineering Manager, believes the Cheyenne Formation should be protected as an aquifer and that the cost to re-enter and properly plug and abandon the well is worth the cost. He believes that with Monument's new proposal for plugging there is a one in three chance to reenter and properly plug and abandon the well. He stated that the Cheyenne Formation is approximately 200 feet deeper than the Dakota Formation.

Scott Campbell, attorney for Monument, submitted Figure 6 as Exhibit 12 from a paper written by John Romero from the Department of Natural Resources in 1994, to show that there could be as much as 10,000 parts per million ("ppm") in the Cheyenne aquifer. Mr. McCartney testified that he does not believe the total dissolved solids are as high as 44,000 ppm which was discussed in the two previous hearings on this matter. Mr. Campbell stated in closing that he believes the Commission needs to take into account the cost-effectiveness and the technical feasibility of re-entering and re-plugging the well, and that there is unrefuted evidence that the water quality needs to be protected.

The record was closed and a motion was made by Commissioner Gerhardt to go into deliberation.

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After deliberation, a motion was made by Commissioner Cutright, seconded by Commissioner Gerhardt to rescind Order No. 1V-238. The motion was approved by Vice Chair Epel, Commissioners Alward, Dowling, Gerhardt, Compton and Cutright. Commissioners Haupt and Martin did not approve the motion.

A motion was made by Commissioner Compton to approve the October minutes, seconded by Commissioner Cutright, and the minutes were approved unanimously.

The following matters have been continued as indicated:

Cause No. 407, Docket No. 0708-UP-24, request for an order to establish a 160-acre drilling and spacing unit in the NE $\frac{1}{4}$ of Section 26, Township 6 North, Range 67 West, 6th P.M., and to pool all nonconsenting interests in said unit for the drilling of the Great Western 26-51 Well, and 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 said Section 26, for the drilling of the Great Western 26-31 and Great Western 26-32 Wells for the development and operation of the Codell and Niobrara Formations, was continued to the December hearing.

Cause No. 166, Docket No. 0711-AW-23, request for an order to allow the equivalent of one (1) well per 10 acres, with the permitted well to be located no closer than 100 feet from the lease line for certain lands in Sections 3, 10, 11, 14, and 15 of Township 10 South, Range 94 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork, Rollins, Cozzette and Corcoran Formations, was continued to the December hearing.

Cause No. 429, Docket No. 0711-AW-25, request for an order to allow the equivalent of one (1) 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, Range 93 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork, Rollins, Cozzette and Corcoran Formations, was continued to the December hearing.

Cause No. 1, Docket No. 0705-AW-11, request for an order to vacate Order No. 1-41, which established a high density area for the N $\frac{1}{2}$ of Section 8, Township 1 North, Range 68 West, 6th P.M. and place the lands under the provisions of the Rules & Regulations of the Commission and applicable orders in Cause Nos. 232, 407, 493, 496 and 499, for the production of gas and associated hydrocarbons from the Cretaceous Age Formations. In the alternative, the applicant is seeking an exception to the location requirements set out in Order No. 1-41, as provided in Rule 603.e.(6), or as requested in the amended application, a variance under Rule 502.b. to the permitted location set out in Order No. 1-41. This matter was continued to the December hearing.

Cause No. 112, Docket No. 0710-AW-22, request for an order to allow 2 additional wells for a total of 4 in the 320-acre drilling and spacing units for certain lands in Township 34 North, Ranges 9 and 10 West, N.M.P.M., with the permitted well to be located no closer than 660 feet from the outer unit boundary, for the production of gas and associated hydrocarbons from the Fruitland coal seams, was continued to the December hearing.

The meeting adjourned at 4:52 p.m.

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The Secretary was therefore authorized to issue the following orders:

Order No. 530-2, Moffat County: Approves the request for an order to establish 160-acre drilling and spacing units consisting of the SW $\frac{1}{4}$ of Section 31, Township 12 North, Range 96 West, 6th P.M., and the SE $\frac{1}{4}$ of Section 36, Township 12 North, Range 97 West, 6th P.M., with the

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permitted well to be located no closer than 600 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Fox Hills Formation.

Order No. 139-81, Rulison Field, Garfield County: Approves the request to pool all nonconsenting interests in the 320-acre drilling and spacing unit consisting of the W $\frac{1}{2}$ of Section 20, Township 6 North, Range 93 West, 6th P.M. for the proposed Overcracker Federal 20-14D Well, for the development and operation of the Williams Fork Formation.

Order No. 440-50, Parachute Field, Garfield County: Approves the request for an order to allow the equivalent of one (1) well per 20 acres, with the permitted well to be located no closer than 200 feet from the unit boundary in the E $\frac{1}{2}$ of Section 15, Township 7 South, Range 95 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Order No. 139-82, Rulison Field, Garfield County: Approves the request for an order to establish 40-acre drilling and spacing units consisting of the NW $\frac{1}{4}$ NE $\frac{1}{4}$, the NE $\frac{1}{4}$ NE $\frac{1}{4}$ and the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3, Township 8 South, Range 96 West, 6th P.M., and allow one well per 10 acres, with the permitted well to be located no closer than 100 feet from the unit boundary, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Order Nos. 232-242 & 407-307, Wattenberg Field, Weld County: Approves the request for an order to establish a 320-acre drilling and spacing unit for the W $\frac{1}{2}$ of Section 18, Township 1 North, Range 68 West, 6th P.M., and to pool all nonconsenting interests in said unit for the proposed Sosa 11-18, 12-18, 21-18 and 22-18 Wells, for the development and operation of the "J" Sand, Codell and Niobrara Formations.

Order No. 1V-315, Weld County: Approves the request to approve an Administrative Order by Consent for failure by Diversified Operating Corporation to comply with Rule 905.a., failure to submit a Site Investigation and Remediation Workplan, Form 27, for prior COGCC approval before closing an unlined production pit; and Rule 907.a.(1)., failure to ensure that E&P waste is properly stored, handled, transported, treated, recycled or disposed to prevent threatened or actual significant adverse environmental impacts to air, water, soil or biological resources for the Long Draw #1-22 Well located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 22, Township 3 North, Range 62 West, 6th P.M.

Order No. 1V-316, Las Animas County: Approves the request to approve an Administrative Order by Consent for failure by Red River Ranch Holdings LLC. to comply with Rule 209., failure to take special precautions in drilling the Red River Ranch No.18-3E Well located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 18, Township 35 South, Range 67 West, 6th P.M., Rule 324A.a. for not taking adequate precautions to prevent significant adverse environmental impacts to water resources, Rule 324A.b. for violating WQCC's standard that surface waters of the state shall be free from substances attributable to human-caused point source or non-point source discharge, Rule 907.a.(1) for not ensuring that E&P waste was properly treated, stored, handled, or disposed of to prevent threatened or actual significant adverse environmental impact, and Rule 907.a.(2) for failure to conduct E&P waste management activities and construct and operate E&P waste facilities to protect the waters of the state from significant adverse environmental impact.

Patricia C. Beaver, Secretary

Approved:

Harris Sherman, Chair