

## RECORD OF PROCEEDINGS

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January 11, 2010

The Oil and Gas Conservation Commission (“COGCC”) met on January 11, 2010, in Suite 801 of The Chancery Building, 1120 Lincoln Street, Denver, Colorado, for a hearing in Cause Nos. 139 (2 matters), 191 (2 matters), 232 and 407, 232, 407 (7 matters), 527, and 528.

Those present were:

Joshua Epel	Chair
Michael Dowling	Vice-Chair
Tom Compton	Commissioner
DeAnn Craig	Commissioner
Mark Cutright	Commissioner
Trési Houpt	Commissioner
Jim Martin	Commissioner
Martha Rudolph	Commissioner
Dave Neslin	Director
Carol Harmon	Hearings Manager

The meeting was called to order at 9:00 a.m. on January 11, 2010. Commissioner Alward was absent. A motion was made and seconded to approve the November 2009 minutes. Vice Chair Dowling requested that the minutes reflect Commission consensus that the Klabzuba matter not be precedential. Commissioner Cutright requested that his recusal in the Klabzuba matter be included. The minutes were unanimously approved as amended.

Chair Epel welcomed Commissioner Rudolph, the new Executive Director of the Department of Public Health and Environment and ex officio member of the Commission, and Carol Harmon, the new Hearings Manager. Chair Epel recognized Director Dave Neslin, Thom Kerr, and the permitting staff for extraordinary efforts over the past two months to reduce the backlog and time required to process permits. The permitting staff came into the hearing for individual introductions and congratulations for their hard work.

Commissioner Martin commented that he and Director Neslin had assured the governor that reducing the backlog and processing time for permits were goals that could be accomplished. It is a tribute to the permitting staff that he can report the goals have been met and that staff will continue to try to improve results.

In response to Commissioner questions, Director Neslin commented that the reasons for the improvements were having a full staff of people with extraordinary backgrounds, agencies working together, and using the new Form 2A under the amended rules to focus environmental review on multi-well pads, rather than on individual wells. He also indicated that staff anticipate sustainable improvement through a focused and managed process including weekly meetings to discuss progress and track metrics, development of new tools to measure progress, and examination of applications that are 50 days old to determine the obstacles and issues. He also indicated that staff are not abrogating their regulatory role; they are carefully reviewing environmental and permitting issues; they will continue to reduce the backlog and maintain a smaller backlog and shorter review time as directed by legislature and governor. He also recognized a need to avoid overworking people and to match resources to meet the fluctuating demands for permits.

Report from the Executive Director. Commissioner Martin reported that the Joint Budget Committee hearing went well and members were impressed with the report on the reduced permit backlog and permit processing time. He also reported that the state continues to deal with budget issues, including projected decreased revenues and a projected budget deficit that will require additional cuts.

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Report from the Director. The table below is a breakdown of the Form 2A, Location Assessment, forms received since the effective date of the amended rules. The amended rules changed the requirements of the Form 2A, and it is now required on all oil and gas facility locations. There is only one Form 2A required for multiple well sites if the wells were identified on the last approved or accepted Form 2A. The table reflects the status of the Form 2As received in the month reported, hence an aging report.

**Form 2A Location Assessment**

Year	Month	Received	Approved Or Accepted	Withdrawn	In-Process	Avg. Days to Process
2009	4	0	-	-	-	-
2009	5	28	26	2	0	98
2009	6	39	38	1	0	87
2009	7	72	70	1	1	67
2009	8	60	58	2	0	72
2009	9	76	75	0	1	56
2009	10	126	124	1	1	38
2009	11	146	132	2	12	26
2009	12	218	48	1	169	21
<b>Total</b>		<b>765</b>	<b>511</b>	<b>10</b>	<b>184</b>	

The 2009 drilling permit totals for the top seven counties as of January 1, 2010 are:

County	2009	2008	2007	2006	2005	2004
Garfield	1,981	2,888	2,550	1,844	1,508	796
Weld	1,448	2,340	1,527	1,418	901	832
Mesa	427	501	293	265	136	54
Rio Blanco	348	477	321	360	161	154
La Plata	298	328	251	235	117	102
Yuma	105	545	541	798	782	237
Las Animas	88	303	362	500	413	332
<b>State Total</b>	<b>5,159</b>	<b>8,027</b>	<b>6,368</b>	<b>5,904</b>	<b>4,364</b>	<b>2,917</b>

The table below is a breakdown of the Form 2, Application for Permit to Drill, (APD) forms received for the calendar year 2009. The amended rules changed many of the filing requirements and procedures of the APD process. The table reflects the status of the Form 2As received in the month reported, hence an aging report. The last report to the Commission with data from November 22, 2009 had the total permits received at 3,599 and the approved at 3,143, this reflects an increase of 966 received and 744 permits approved in the time period since the last report.

**Form 2 Application for Permit-to-Drill (APDs)**

Year	Month	Received	Approved	Withdrawn	In-Process	Average Days to Process
2009	1	519	510	6	3	82
2009	2	411	399	8	4	59

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2009	3	1,476	1,395	20	61	88
2009	4	40	37	2	1	92
2009	5	54	43	5	6	75
2009	6	219	211	1	8	78
2009	7	122	120	1	1	61
2009	8	157	143	9	5	61
2009	9	231	120	1	110	45
2009	10	369	165	1	203	22
2009	11	427	3	1	305	3
2009	12	540	35	0	505	25
<b>Totals</b>		<b>4,565</b>	<b>3,887</b>	<b>68</b>	<b>610</b>	

Northwest Colorado: The Northwest Colorado Oil and Gas Forum (“Forum”) is an informal gathering of local, state, and federal government officials, oil and gas industry representatives, and citizens that have met regularly since 1989. The purpose of the Forum is to share information about oil and gas development in northwest Colorado and to make government officials and oil and gas industry representatives easily accessible to the public. Currently the meetings are conducted once per quarter and are co-chaired by Director Neslin, and Garfield County Commissioner, Mike Samson. The next meeting is scheduled for March 4, 2010, 10:00 a.m., at the Colorado Mountain College-West Garfield Campus in Rifle.

Project Rulison. On December 1, 2009, an audit by M. H. Chew & Associates on behalf of the COGCC, was conducted during the quarterly sampling of produced water and natural gas sampling activities at Project Rulison. Two producing natural gas wells operated by Noble Energy, Inc., located in Sectors 1 and 2 and one Williams Production RMT Inc., located in Sector 12 were sampled. All 3 locations are in the Tier II Zone. Results of the sampling activities and audit will be forthcoming. The inspection was performed with respect to objective criteria in Revision 2 of the Rulison Sampling and Analysis Plan (RSAP). Members of the COGCC environmental staff also participated in the audit.

Project Rio Blanco. A similar comprehensive sampling and emergency preparedness plan is being developed for Rio Blanco through a stakeholder process that includes representatives of local health organizations, U.S. Department of Energy, local government, and the U.S. Bureau of Land Management. There should be a final plan within the next couple of months. No permits will be approved until the plan is complete. COGCC has received a number of permits in past three to four months and will hold those until the plan is in place.

Southwest Colorado: The next Gas and Oil Regulatory Team (“GORT”), Southwest Colorado Oil and Gas Stakeholders meeting is scheduled for January 14, 2010, at 8:30 a.m. at the La Plata County Fairgrounds in Durango.

As part of the Fruitland Formation Outcrop Mitigation and Monitoring Project (“4M Project”), the Colorado Geological Survey (“CGS”) has finalized a detailed geologic map of the Fruitland Formation outcrop in Archuleta County. The mapped extent of the Fruitland Coal outcrop in Archuleta County is now available in COGIS as the layer “San Juan Basin – Archuleta\_Kf.” CGS is working to complete the report associated with the results of the mapping project. The final map and associated report will be posted to the website after receipt from the CGS.

Fruitland Formation Outcrop - 4M Pilot Scale Mitigation Projects La Plata County. The South Fork Texas Creek (“SFTC”) system’s faulty methane sensor has been repaired, and the system is back on line at 12kw and putting electricity into the grid. Gas continues to be collected and vented at the Pine River Ranches (PRR) location. Long term management and system optimization options are being discussed for ongoing power generation at SFTC and possible gas combustion at PRR. Data collection and assessment will continue for a period of one year.

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4M Monitoring Wells La Plata County. Installation of the 4M monitoring wells is complete and three new wells have been instrumented and are in the COGCC telemetry data collection system. Depth to the Fruitland/Pictured Cliffs contact at each site is: BP Highlands, 195 feet below ground surface ("ft bgs"); Fiddler (Rancho Mira Sol), 410 ft bgs; and Palmer (Florida River), 722 ft bgs. Gas is present in each of the wells at bottomhole pressures ranging from 97 pounds per square inch ("psi") at BP Highlands to 180 psi at Fiddler to 336 psi at Palmer. The upper transducer in the Fiddler Well stopped transmitting on November 26, 2009. The cause of the problem will be determined and required repairs will be made as soon as possible, but currently the well is not accessible due to the deep snowpack.

Well site reclamation and re-contouring has been conducted at all of the locations, although re-seeding will not occur until the spring. Some additional site contouring may be necessary at the Palmer Ranch location which will also be done in the spring. COGCC staff continue to seek a location in the Durango/Animas River area for installation of another monitoring well. If an acceptable location is found the well drilling and installation would occur in the spring 2010.

Pressure data from two of the existing 3M monitoring wells, one at Basin Creek and one at South Fork Texas Creek, indicate possible leaks or transducer issues. Norwest/Applied Hydrology will investigate and attempt repairs during their next site visit, which, because of snowpack, may not occur until spring 2010.

4M Monitoring Wells Archuleta County. Pressure data from one of the wells at Wagon Gulch indicates a potential leak in the wellhead. Norwest/Applied Hydrology will investigate and attempt to repair this leak during their next site visit. Souder, Miller & Associates has provided the COGCC staff a final report for the monitoring well installation and reclamation conducted in 2008 and 2009. A copy of the final report, including formation pressures, well completion diagrams, and coal core analytical results is undergoing final revisions and is anticipated to be posted on the COGCC website soon.

San Juan Basin Coalbed Methane Water Quality Analysis (WQA). The objective of this study is to assess potential long-term trends in general groundwater quality in the San Juan Basin based on data available in the existing COGCC database. Work on this project has begun and a draft report should be available for staff review by mid-January 2010. Data quality review is complete and trend analysis evaluations have been initiated.

Northern San Juan Basin Groundwater Model Technical Advisory Group. Steve Lindblom and Karen Spray have been participating in the Northern San Juan Basin Groundwater Model Technical Advisory Group ("NSJB TAG"). The NSJB TAG consists of experts in hydrogeology, groundwater modeling, geology, and water resources from industry, the CGS, the COGCC, the Colorado State Engineers Office, and the Colorado School of Mines. The NSJB TAG has been meeting on a monthly basis since June 2008 to discuss technical issues related to a numerical groundwater model for the Northern San Juan Basin being developed by Norwest Applied Hydrology on behalf of several operators. A draft report was delivered on September 21, 2009 for review by the NSJB TAG.

Northeast Colorado: Pesticide Applicator Licensing & Complaint Investigations. In December 2009, Mr. Steven Blunt, Pesticide Applicator Program Coordinator with the Colorado Department of Agriculture ("CDA"), made a presentation to COGCC staff regarding applicator licensing requirements and complaint investigations associated with pesticide use. The CDA regulates all pesticide use in Colorado including the application of both General Use and Restricted Use Pesticides. A General Use Pesticide ("GUP") is any substance used to kill, control or mitigate a pest such as weeds or insects that does not require an applicator's license to purchase or use. A Restricted Use Pesticide ("RUP") requires a license to purchase or use. Herbicide products that contain one or more of the following active ingredients are considered a RUP: Bromacil, Diuron, Monuron, Prometon, Sodium Chlorate, Sodium Metaborate and Tebuthiuron. Mr. Blunt provided

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staff an open letter to oil and gas companies operating in Colorado with additional details of the program.

Oil and Gas operators who use RUPs for weed management should be aware of the licensing requirements. If company employees are applying RUPs, a Limited Commercial Applicators' license is required and the company must employ at least one person that has obtained a Qualified Supervisors' Pesticide Applicators' license. In addition, records must be kept for every pesticide application, and the company must comply with the provisions of the Colorado Pesticide Applicators Act. More information regarding the pesticide applicator licensing program can be found at the CDA website: <http://www.colorado.gov/ag/dpi>.

The COGCC often receives complaints related to weed management issues and herbicide use. The CDA has several Pesticide Enforcement Specialists throughout the state who investigate such complaints. The CDA also utilizes an in-house laboratory to analyze various samples, including plant matter, for common chemicals found in pesticides. The COGCC will work in cooperation with the CDA Enforcement Unit for all complaints related to pesticide use in the future. Oil and Gas operators are encouraged to review their weed management programs and the products used prior to upcoming spring applications to ensure compliance with the Pesticide Applicators Act.

Southeast Colorado: Upper Purgatoire Watershed Study. The Colorado Geological Survey ("CGS") in conjunction with the Colorado Water Conservation Board ("CWCB"), plan to conduct studies of groundwater and surface water quality and quantity in the Upper Purgatoire Watershed portion of the Raton Basin by the end of the current fiscal year (June 2010). Ralf Topper from CGS and Steve Miller from CWCB are managing the study. Plans for a stakeholder meeting to be held in Trinidad early in 2010 are still being developed. Appropriate data from the COGCC water quality and production databases will be made available for the study.

Corsentino Dairy Farms Site Investigation and Remediation Workplan. The owners of Corsentino Dairy Farms, Petroglyph Energy Inc. ("PEI"), and COGCC staff have reached agreement on a voluntary site investigation and remediation workplan intended to address impacts to soils at the dairy farm. The impacts resulted from PEI's discharge of produced water from coalbed-methane wells into the Cucharas River upstream of the dairy's irrigation water intake pursuant to a permit issued by the Colorado Department of Public Health and Environment. As weather and soil conditions permit, several fields, which have been used to grow corn and winter rye for the cattle, will be prepared for subsequent application and incorporation of gypsum. The gypsum will provide a source of calcium that should displace sodium which is adsorbed onto soils in the impacted fields. Irrigation water and precipitation will help flush the displaced sodium from the soils. The addition of calcium to the soils and the displacement and flushing of sodium from the soils will lower the sodium adsorption ratio of the soils. Director Neslin reported that ripping of the soil has begun.

Outreach Session with North Fork Ranch Property Owners. Pioneer Natural Resources, Inc.'s ("Pioneer's") staff will host an information session with interested landowners in the North Fork Ranch area on January 14, 2010. The topic of discussion will be completion and stimulation practices used by Pioneer in their Raton Basin coalbed methane operations. A similar previous meeting, held in October 2009, discussed drilling, casing and cementing practices used by this operator in the Raton Basin. A very thorough and interesting overview of water quality analyses and issues were presented to the group by Anthony Gorody, a consultant to Pioneer, at the October session.

Methane Investigation Monitoring, and Mitigation Plan (MIMMP) - Huerfano County. Phase I Update. Three monitoring wells, four recovery, and eight injection wells have been drilled, completed and tested by Petroglyph Energy Inc. ("PEI") as part of Phase I of the MIMMP. Treatment under Phase I consists of physically separating dissolved methane from the recovered ground water using a vertical separator. The methane is sent to a controlled flare for combustion. Operation of

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the pump, treatment, and injection system started on December 8, 2008. More than 10.1 million gallons of water had been pumped to the surface and treated as of December 10, 2009. More than 99% of that water has been re-injected into the aquifer after treatment. PEI has proposed adding one domestic well to the methane and water recovery system to hasten removal of free gas from the impacted aquifer systems. The domestic well would function as a removal well with the water re-injected in a nearby injection well that is already part of the system. PEI has received approvals from the Colorado Division of Water Resources, the U.S. Environmental Protection Agency ("EPA"), and COGCC staff. PEI will initiate use of this water well for removal of water and gas from the Poison Canyon Formation once electric power to the pump has been installed and the system inspected.

Gas flows are monitored at four domestic wells by PEI or its consultant and at two domestic wells by COGCC and its consultant. Overall gas flow has decreased in all monitored domestic wells.

During the period from November 1, 2009, to December 10, 2009, PEI screened 70 domestic water wells for the presence of methane with hand-held methane detectors for changes in percent volume of methane, %LEL, and %O<sub>2</sub>. Methane was not detected at 37 of the wells. Methane was detected at 33 of the screened wells and levels of methane decreased in 21 of the screened wells. Methane increased in nine wells.

A helicopter borne methane survey was conducted in early September 2009. Ground verification of results is underway. The results of the combined aerial and ground surveys will be provided to the COGCC as a separate report in the near future.

PEI is currently supplying water to 16 homes upon request of the well owner. Methane alarms have been installed in 14 homes.

Phase II. The EPA held a public meeting in Walsenburg on August 10, 2009, regarding PEI's applications for wells that would be used to inject Vermejo Formation water produced from CBM wells into water-bearing units in the Poison Canyon Formation. The EPA is still in the process of reviewing and addressing written and oral comments received during and after the public hearing. PEI has submitted an application to the Division of Water Resources to ask for changes to water sources and injection as part the process of initiating Phase II. Approval to operate some of PEI's CBM wells by the COGCC will also be needed prior to initiation of Phase II. COGCC staff plan to present an update on the status of Phase I at the February 2010 hearing and to discuss possible initiation of Phase II of the MIMMP.

Organization: Carol Harmon has been appointed the new Hearings Manager effective December 1, 2009. Rob Willis resumed his prior position as Hearings Officer at that time. Before initially joining the COGCC as the Enforcement Officer, Carol was a geologist, attorney, and Assistant Attorney General.

Linda Spry O'Rourke started with the COGCC on December 1, 2009, as Environmental Protection Specialist II. Linda is working out of the Rifle office, providing support in western and northwestern Colorado. Linda has a B.S. in Geology from Mesa State College with over 15 years of experience in environmental consulting and database management. Her experience and skills will be useful as the environmental group works to improve and streamline workload processes.

Mike Longworth has been hired as a Field Inspector in the Northwest Area, effective December 14, 2009. Mike has over 15 years experience in the oil and gas industry with a strong emphasis on frac'ing and cementing operations. Mike will be covering Garfield and Rio Blanco Counties and will report to Shaun Kellerby, the Northwest Area Field Inspection Supervisor.

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Craig Quint has been hired as the Field Inspector for Southeast Colorado, effective January 4, 2010. He is based out of Cheyenne Wells and reports to Mike Leonard, the South Colorado Field Inspection Supervisor. Craig has an extensive oil and gas background including drilling and production, wireline services and gas plant operations.

The Permit Group hired three Permit/Completions Technicians in December 2009. Julie Vigil has nearly 30 years of experience in the oil and gas industry as a regulatory specialist as well as a health and safety manager. Randy Edelen is a Professional Engineer with a degree in Mechanical Engineering; his industry experience includes permitting, drilling, and completing oil and gas wells. Phil Glasgow has a Petroleum Engineering degree and a wide variety of oil field experience.

Onsite Inspection Policy. Under the Policy For Onsite Inspections On Lands Where The Surface Owner Is Not A Party To A Surface Use Agreement, which was effective for Applications for Permits-to-Drill ("APDs") submitted after February 15, 2005, the COGCC has received to date a total of 133 requests for onsite inspections.

Twenty-nine onsite inspections have been conducted, 87 requests for inspections have been withdrawn, one onsite inspection is being scheduled, and 16 onsite inspections are pending and will be scheduled, if necessary, after the APD is received, or after issues related to local governmental designee consultation, location change, or surface use agreements are resolved.

Of the 133 requests for onsite inspection, 72 were for locations in Weld County, 24 for Las Animas County, 9 for Adams County, 7 for La Plata County, 5 for Garfield County, 3 each for Archuleta, Boulder and Yuma Counties, 2 each for Logan and Morgan Counties, and 1 each for Baca, Kiowa, and Larimer Counties.

In addition to the Onsite Inspection Policy, onsite inspections are being conducted in the San Juan Basin under Cause 112, Order Nos. 156 and 157 where an onsite inspection was required because an APD was submitted without a surface use agreement. Several onsite inspections under Cause 112, Order Nos. 156 and 157 are anticipated in the next few months, depending upon operator activity in the area.

Colorado Oil and Gas Information System. COGIS Projects, Updates and Changes -Electronic Form Submission: As of July 1, 2009, operators have been electronically filing APDs and the Oil and Gas Location Assessment ("OGLA") forms. The system allows the operator to submit the data for the form and all of the required attachments. Attachments must be in a PDF file format. Benefits of the eForm's application to the operator include the ability to circulate the forms internally and check data prior to submitting to the COGCC and a decrease in the time it takes for the form to begin its regulatory review. Additional features of the new application include the tracking of the regulatory form as it is being reviewed within the COGCC, the viewing of the required attachments as the form is being reviewed, along with allowing public comments on certain regulatory forms.

Along with the eForm system, a page is available where the operators can review all known bugs within the system and report any new ones they discover.

The public can now make comments on all submitted OGLA forms ("Form 2A") through the eForm system. This is accomplished by going to the COGCC website (<http://www.colorado.gov/cogcc>) and clicking on the menu option, "Permits", (or <http://cogcc.state.co.us/COGIS/DrillingPermits.asp>). On the COGIS-Permits page, two new search options have been added, "All Pending Location Assessments for" and "All Approved Location Assessments for." When the results are displayed for forms in process, the public can click on the document number, which logs the user onto the new eForm application. Once the page is displayed with the selected document, the user can select the Comment button to make a comment on that particular form. The public can use this same method to make comments on APDs ("Form 2").

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Starting this month, operators will be able to submit Form 17, Bradenhead Test Report, in eForm. With the advent of the Wattenberg Bradenhead testing area, along with the other areas in the state that require the filing of this form, it was decided to make this available in eForm. Filing of the Form 17 through eForm will allow the operator to quickly enter test results into the COGIS database and save data entry costs for the COGCC. Instructions for enrolling in eForm and starting the process can be found at <http://cogcc.state.co.us/Announcements/COUAINformation.pdf>.

With the filing of the Oil and Gas Location Assessments (Forms 2A), staff have been tracking distance from locations to closest buildings (less than 150 feet, 2 locations; 150-350 feet, 37 locations; 350-500 feet, 52 locations; 500-1,000 feet, 119 locations; greater than 1,000 feet, 361 locations). A total of 571 locations were examined.

Variations: There have been no requests for variances to be approved since the November 30, 2009, Staff Report.

A preliminary docket for the February 2010 hearing was provided.

Director Neslin reported about information provided to the Joint Budget Committee ("JBC"), which was a snapshot of oil and gas activity in the state, and answers to questions posed by the JBC. The JBC wanted to know why there has been a decline in oil and gas activity. Director Neslin explained it as similar to what is happening in other states: the decline of activity in 2009 is because of the reduced price of natural gas. The slow economy, the abundant supply of natural gas, and the increased reserves due to the development of shale gas have put a downward pressure on the price of natural gas.

Colorado received a reduced number of applications for drilling permits in 2009, approximately 5,000 vs. approximately 8000 in 2008, but this is more than any neighboring state, including Wyoming, Kansas, Oklahoma, New Mexico and Utah. Because Colorado received more applications for drilling permits than any neighboring state after the 2008 rules took effect, it does not appear that the new rules are reducing the number of permit applications.

In December 2009, COGCC received 540 APDs and issued 653 drilling permits. These numbers exceed those in December 2007 and reflect a 150% increase from September 2009; so, it appears that permit activity is ramping up.

Drilling activity decreased, as it did elsewhere, but it still outpaced drilling activity in neighboring states. According to Anderson Reports, there were 1500 wells drilled in Colorado in 2009 vs. 900 in Wyoming and 600 in North Dakota. There has also been steady investment in infrastructure including the new Rocky Mountain Express Pipeline, the Williams gas plant, and the expansion of Exxonmobil's gas plant in Meeker.

The DJ Basin has experienced the most activity because natural gas is produced with liquid condensate. The Wattenberg Field is expected to continue its robust activity.

In contrast, in the Piceance Basin, where there is not very much liquid condensate produced with natural gas, prices for products are low, and drilling lagged behind the DJ Basin and other states. Although the Piceance represented half the permits issued, there was not a comparable level of drilling.

The permit process is important for business planning purposes, and COGCC has put into place certain measures to accommodate industry needs. Examples of COGCC's measures that were helpful include grandfathering 1,400 APDs last March under the old rules, so there is now a portfolio of 5,000 permits for the remaining transitional year, training on the new rules, environmental issues

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being reviewed from a landscape level through Form 2As, permit expiration being extended from one year to two, and reducing the average processing time for issuing permits.

More specifically, industry concerns regarding time associated with permit processing began the year with a 1,400 backlog for most of 2008. There were 2,000 APDs in backlog during April 2008 because of the spike of 1,400 APDs before the new rules took effect. Largely due to the spike in received applications, processing time for APDs spiked at 95 days for applications received in March and April 2009; the time was then reduced to 87 days for May and June. COGCC recognizes that 87 days is not acceptable when the agency has been directed by the legislature and the Governor to maintain a timely and efficient process. COGCC staff have worked hard to reduce permitting time to 60 days for applications received in July, August, and September. Staff instituted administrative changes to improve efficiency to 38 days for October and November, 2009 and have maintained that over the last couple of weeks.

A similar process has been implemented for Form 2A. There was an average of 90 days for processing applications in May and June 2009. After adding staff and gaining experience, the average processing time was reduced to 70 days for July and August 2009, 56 for September 2009, 38 for October 2009, and 26 for November 2009. Form 2As are being processed in real time, considering there is a 20-day process under rules for comments, and staff have reduced backlog time to three weeks, therefore, we are exactly where we want to be. Credit goes to Mary Halstead and her staff for implementing the new program timely and effectively.

Director Neslin further responded to the following Commissioner questions:

JBC asked about wildlife best management practices ("BMPs") and the *Vance* decision? BMPs under the current Rules were reported to JBC, and we hope to address those issues later. Right now, the focus is on sustaining the permitting time at 30 days; COGCC is not there, yet, plus staff are working through the backlog of enforcement. Later this year, staff plan to work with stakeholders on BMP issues.

How is consultation going? It has been working well with CDPHE and DOW. There have been relatively few consultations with CDPHE, which was intentional; there are more with DOW; they have been timely and effective.

What is happening with the State Engineers Office ("SEO") with respect to the *Vance* decision and SEO hearings? What is the resolution regarding coalbed methane ("CBM") wells in Southwest Colorado? The SEO effectively bifurcated work trying to implement the *Vance* decision and legislation. Two important issues deal with vested water rights and making sure oil and gas development can be proceed unimpeded. CBM in Southwest Colorado has resulted in designated tributary and non-tributary areas. The SEO anticipates being able to handle permit applications for tributary water by April 1, 2010, the deadline, including substitute water or augmentation plans in place to prevent injury to vested water rights. The SEO plans to move to the Piceance Basin by January 15, 2010. Raton Basin is still sitting out there; companies withdrew their model after problems were identified by SEO staff. SEO plans to work with all stakeholders to fill gaps and will not have a plan in place by April 1. CDPHE is monitoring the situation carefully and plans to review with SEO what needs to be done on January 16 or 17, 2010.

Commissioner Cutright asked whether produced water put to beneficial use in CBM wells. Commissioner Martin explained that the state Supreme Court concluded that when water is produced in association with CBM wells, it is put to a beneficial use. SEO has defined areas where non-tributary water is not being put to beneficial use unless for dust suppression. That is one item that will be reevaluated. Everyone wants fewer trips and more water re-use on site. SEO will address that situation after January 15.

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Commissioner Cutright asked whether the average days to process permits included 10 days before and 10 days after approval, to which Director Neslin responded, no. He explained, however, that the COGCC advises operators that if they obtain a waiver, a permit can be issued right away.

Commissioner Dowling asked about reporting on APDs in sensitive wildlife and riparian areas, to which Director Neslin indicated staff would respond in February.

Chair Epel asked about whether Comprehensive Drilling Plans (“CDPs”) were being submitted by operators. Director Neslin reported that operators are working on CDPs to replace 2As and wildlife agreements. There are 18-24 CDPs under discussion and at various stages of review. Wildlife mitigation agreements may be easier to negotiate because they have a narrow focus, fewer participants, and issues related to restricted surface occupancy and sensitive wildlife areas. Operators would like to work out those issues ahead of time. Director Neslin predicted that a number of CDPs will be completed in three to six months.

There was a question about how COGCC staff are going to address issues related to increased density applications. Carol Harmon explained that the hearings unit plans to tag along on the effective process that works for permit consultation with CDPHE and DOW, which will take time. In the interim, the unit will develop a policy of requiring applicants to notify specific individual within CDPHE and DOW. Applications are currently sent to those agencies, but, since they are not addressed to an individual, they are not timely received by the individual responsible for reviewing them. The unit plans to post the policy on COGCC’s website and to contact counsel who practice before COGCC, which should take care of the problem in the short term until an automatic, electronic system is developed.

Comments from the Commissioners. Commissioner Dowling asked about specifics related to building setbacks reported. Thom Kerr responded that it would be difficult to provide the level of detail requested because operators are not required to provide it. Mr. Kerr also reported that the chart related to OGLAs submitted since April 2009.

Comments from the Audience. Michael Freeman, representing the Colorado Environmental Coalition and a number of other environmental and wildlife organizations, raised issues related to COGCC staff’s responses to Frequently Asked Questions (“FAQ”) about Table 910-1. COGCC staff member, Peter Gintautus participated by telephone.

The first issue was related to the fact that COGCC staff indicated they do not routinely require measurement of boron. Mr. Freeman is concerned about the fact that ignoring the boron standard in Table 910-1 changes the rule without going through a rulemaking procedure. He also did not believe that there was sufficient evidence to justify omitting the boron standard and preferred that data be developed before making a decision. He suggested leaving the standard in place and directing companies to sample for boron and report to staff, who would then report to Commissioners about whether to adopt a different standard.

Mr. Gintautus commented that staff had meant to remove boron from the table because it is not a human health standard; rather, the boron standard in Table 910-1 is from an API study done in the mid 1990s and is based solely on boron’s phytotoxicity (effect on plants). It should be treated the same as the remediation guidance for inorganics, pH and salts.

Director Neslin disagreed that there was a procedural issue related to amending the rules improperly. Rule 910 does not require sampling for everything listed in Table 910-1, and staff have historically used discretion not to require sampling for everything, including boron. The FAQ are more transparent, but do not change staff’s historical practice and explicitly state staff have discretion to require boron measurement. Amendments to the rules to reflect changes needed will come up later this year, rather than addressing each minor correction as it arises. More important

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are sustaining permitting goals and addressing the backlog of enforcement issues (which involve the environmental staff).

Commissioner Houpt expressed concern over the appropriate process. Commissioner Martin pointed out that staff were not changing the standard but simply using discretion. Commissioner Rudolph stated that CDPHE did not have a soil standard for boron, that boron is an inert metal and not a risk to human health, that process is important, but that there was no need to amend the rule immediately because of boron impacts.

COGCC Environmental Manager, Debbie Baldwin, pointed out that Table 910-1 is not an all inclusive list of what staff require operators to measure. It depends on the type of spill. Staff have flexibility to require analysis for components of the substances spilled. The components of produced water, crude oil and condensate are in Table 910-1 because those are the substances that are spilled most of the time.

Chairman Epel suggested that Mr. Freeman meet with COGCC, CDPHE, and industry to talk about boron and obtain additional information.

Mr. Freeman's second issue dealt with answer #30 related to COGCC's ad hoc approach to measuring background. He said there should be guidance regarding what operators should do to measure background at a site and expressed a concern about abuse if they are measuring background in an area already contaminated. He wanted COGCC to use the guidance document that CDPHE has been using for years. Commissioner Rudolph offered CDPHE's guidance document on background concentrations in soils for COGCC's consideration. It is a document developed through a stakeholder process that staff can use to develop their own.

Ms. Baldwin pointed out that the health department's stakeholder process may not have included oil and gas operators and did not include COGCC staff. She was reluctant to recommend adopting the risk-based analysis of the CDPHE guidance document in the interim. It is a draft policy issued in 1997. There are not standards; rather, there are soil remediation objectives, and there is not a definition of the minimum level of data collection or protocols needed to meet the objectives. There is flexibility for the operator and the agency for alternative proposed remediation, although the document does not indicate what those might be.

Commissioner Martin and Vice Chair Dowling expressed views that the uncontroversial CDPHE guidance document could be used as interim guidance with possibly some qualifying language or that staff could at least advise operators that the document exists.

Chair Epel indicated he did not want to put industry in an awkward position because they have not had a chance to review the guidance document and suggested re-examining the issue next month.

The Commissioners had further discussion about process, about whether to make it clear that FAQs were guidance until more formal rulemaking takes place, and whether staff should have discretion to interpret rules. Chair Epel indicated nothing further would be decided until industry reviewed the guidance document and the meeting among CDPHE, Earth Justice, COGCC and industry on the topic of boron took place.

Mr. William Keefe raised a timing issue associated with the rule that requires COGCC to consult with CDPHE and DOW on applications for more than one well per forty acres. The rule does not indicate how long the agency has to consult. It has become difficult for applications to move forward when they are continued to the next month. This is an issue that needs to be corrected. For the moment, he asked that the comments be provided to COGCC by the protest deadline for applications so applicants would have an opportunity to deal with them.

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Director Neslin explained that the 40 day time period under the consultation rule applies to applications for increased well density. The issue is that hearing are only every month, whereas permits are issued every day. When a hearing application is continued, it is burdensome on the applicant. He suggested that staff would meet with the other agencies and resolve the issue.

Consent Agenda. Commissioner Dowling moved to approve the following matters listed under the Consent Agenda, seconded by Commissioner Compton, and approved unanimously. The following matters were approved:

Cause No. 407, Docket No. 1001-UP-01, request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the N $\frac{1}{2}$  NE $\frac{1}{4}$  of Section 1, Township 5 North, Range 65 West, 6<sup>th</sup> P.M., and the S $\frac{1}{2}$  SE $\frac{1}{4}$  Section 36, Township 6 North, Range 65 West 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations.

Cause Nos. 407, 232, Docket No. 1001-UP-02, request for an order to establish an approximate 160-acre wellbore 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 9, Township 1 North, Range 66 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Codell, Niobrara, and "J" Sand Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell, Niobrara, and "J" Sand Formations.

Cause No. 407, Docket No. 1001-UP-03, request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the S $\frac{1}{2}$  NW $\frac{1}{4}$  and N $\frac{1}{2}$  SW $\frac{1}{4}$  of Section 14, Township 5 North, Range 67 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations.

Cause No. 407, Docket No. 1001-UP-04, request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the NE $\frac{1}{4}$  of Section 28, Township 4 North, Range 68 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations.

Cause No. 139, Docket No. 1001-UP-05, request for an order to establish an approximate 80-acre laydown drilling and spacing unit consisting of the S $\frac{1}{2}$  SW $\frac{1}{4}$  of Section 8, Township 7 South, Range 93 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation, and to pool all nonconsenting interests in said unit, for the development and operation of the Williams Fork Formation.

Cause No. 139, Docket No. 1001-UP-06, request for an order to establish an approximate 200.04-acre drilling and spacing unit consisting of Lot 1 and the NE $\frac{1}{4}$  NW $\frac{1}{4}$ , W $\frac{1}{2}$  NE $\frac{1}{4}$ , and NE $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 18, Township 7 South, Range 93 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation, and to pool all nonconsenting interests in said unit, for the development and operation of the Williams Fork Formation.

Cause No. 407, Docket No. 1001-UP-07, request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the N $\frac{1}{2}$  NW $\frac{1}{4}$  of Section 1, Township 5 North, Range 65 West, 6<sup>th</sup> P.M. and the S $\frac{1}{2}$  SW $\frac{1}{4}$  of Section 36, Township 6 North, Range 65 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations.

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Cause No. 407, Docket No. 1001-UP-08, request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the NW $\frac{1}{4}$  NE $\frac{1}{4}$  and the NE $\frac{1}{4}$  NW $\frac{1}{4}$  of Section 1, Township 5 North, Range 65 West, 6<sup>th</sup> P.M. and the SW $\frac{1}{4}$  SE $\frac{1}{4}$  and the SE $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 36, Township 6 North, Range 65 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations.

Cause No. 407, Docket No. 1001-UP-10, request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the N $\frac{1}{2}$  SW $\frac{1}{4}$  and the S $\frac{1}{2}$  NW $\frac{1}{4}$  of Section 36, Township 5 North, Range 64 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations.

Cause No. 407, Docket No. 1001-UP-11, request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the NW $\frac{1}{4}$  NW $\frac{1}{4}$  of Section 1 and the NE $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 2, Township 5 North, Range 65 West, 6<sup>th</sup> P.M. and the SE $\frac{1}{4}$  SE $\frac{1}{4}$  of Section 35 and the SW $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 36, Township 6 North, Range 65 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations.

Cause No. 191, Docket No. 1001-SP-01, request for an order to vacate drilling and spacing units established in Order 191-55, and establish one 240-acre drilling and spacing unit consisting of the SE $\frac{1}{4}$  and N $\frac{1}{2}$  SW $\frac{1}{4}$  of Section 13, Township 6 South, Range 93 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Cause No. 191, Docket No. 1001-SP-03, request for an order to reaffirm Order 191-55 in the establishment of an approximate 320-acre drilling and spacing unit consisting of N $\frac{1}{2}$  of Section 13, Township 6 South, Range 92 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Commissioner Cutright requested that Cause No. 527, Docket No. 0911-AW-05 and Cause No. 528, Docket No. 0911-AW-06 be considered separately from those matters considered above. William Keefe, attorney for Williams Production RMT Company, and Stephen Sullivan, attorney for Whiting Oil and Gas Corporation, responded to concerns of the Commission regarding its consideration of the matters.

Commissioner Craig moved to approve the following matter listed under the Consent Agenda, seconded by Commissioner Compton, and approved by a vote of 6 to 2, with Commissioners Dowling and Houpt voting against. The following matter was approved:

Cause No. 527, Docket No. 0911-AW-05, Rio Blanco County, 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 any lease line adjacent to the application lands for certain lands in Townships 2 and 3 South, Range 97 West, 6<sup>th</sup> P.M., Townships 1 through 4 South, Range 98 West, 6<sup>th</sup> P.M., and Townships 2 and 3 South, Range 99 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Commissioner Cutright moved to approve the following matter listed under the Consent Agenda and amended on the record, seconded by Commissioner Houpt, and approved by a unanimous vote. The following matter was approved:

Cause No. 528, Docket No. 0911-AW-06, Rio Blanco County, request for an order to amend Order No. 528-1 to vacate the requirement that the Iles and Segó Formation wells must be

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drilled in conjunction with Williams Fork wells for Section 3, Township 3 South, Range 97 West 6th P.M., and allow Iles and Segro Formation wells to be drilled downhole no closer than 100 feet from the outside boundary of the application lands, for the production of gas and associated hydrocarbons from the Mesaverde Group.

The following matters have been continued to either the February 2010 hearing or a subsequent hearing:

Cause No. 407, Docket No. 1001-UP-09, Weld County, request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the E½ SE¼ of Section 35 and the W½ SW¼ of Section 36, Township 6 North, Range 65 West, 6th P.M., and to pool all nonconsenting interests in said unit.

Cause No. 1, Docket No. 0809-GA-01, Adams County, request for an order to designate Barr Lake State Park as a Designated Outside Activity Area. Protests filed by Noble Energy, Inc., Anadarko Petroleum Corporation, and James Alexander, Alexander Energy Company, HRM Resources, Texas American Resources Company, and Sovereign Energy, LLC.

Cause Nos. 513 and 523, Docket No. 1001-SP-02, Garfield County, request for an order to establish various approximate drilling and spacing units consisting of certain lands in Section 12, Township 6 South, Range 92 West 6th P.M. and Sections 7 and 18, Township 6 South, Range 91 West, 6th P.M., and allow the equivalent of one well per 10 acres for said units, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Executive Session. Assistant AG Lepore made a statement as to what was discussed by the Commission during Executive Session relating solely to the *Carnahan v. COGCC* and *Grand Valley Citizens Alliance v. COGCC* lawsuits and the confidentiality of records pursuant to Section 34-60-106(1)(b), C.R.S.

The hearing adjourned at approximately 1:20 p.m. on January 11, 2010.

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The Secretary was therefore authorized to issue the following orders:

Order No. 527-6, Sulphur Creek Field, Rio Blanco 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 any lease line adjacent to the application lands for certain lands in Townships 2 and 3 South, Range 97 West, 6th P.M., Townships 1 through 4 South, Range 98 West, 6th P.M., and Townships 2 and 3 South, Range 99 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Order No. 528-2, Sulphur Creek Field, Rio Blanco County: Approves the request for an order to amend Order No. 528-1 to vacate the requirement that the Iles and Segro Formation wells must be drilled in conjunction with Williams Fork wells for Section 3, Township 3 South, Range 97 West 6th P.M., and allow Iles and Segro Formation wells to be drilled downhole no closer than 100 feet from the outside boundary of the application lands.

Order No. 407-342, Wattenberg Field, Weld County: Approves the request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the N½ NE¼ of Section 1, Township 5 North, Range 65 West, 6th P.M., and the S½ SE¼ Section 36, Township 6 North, Range 65 West 6th P.M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations.

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Order Nos. 232-254 and 407-343, Wattenberg Field, Weld County: Approves the request for an order to establish an approximate 160-acre wellbore 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 9, Township 1 North, Range 66 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Codell, Niobrara, and "J" Sand Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell, Niobrara, and "J" Sand Formations.

Order No. 407-344, Wattenberg Field, Weld County: Approves the request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the S $\frac{1}{2}$  NW $\frac{1}{4}$  and N $\frac{1}{2}$  SW $\frac{1}{4}$  of Section 14, Township 5 North, Range 67 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations.

Order No. 407-345, Wattenberg Field, Weld County: Approves the request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the NE $\frac{1}{4}$  of Section 28, Township 4 North, Range 68 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations.

Order No. 139-107, Rulison Field, Garfield County: Approves the request for an order to establish an approximate 80-acre laydown drilling and spacing unit consisting of the S $\frac{1}{2}$  SW $\frac{1}{4}$  of Section 8, Township 7 South, Range 93 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation, and to pool all nonconsenting interests in said unit, for the development and operation of the Williams Fork Formation.

Order No. 139-108, Rulison Field, Garfield County: Approves the request for an order to establish an approximate 200.04-acre drilling and spacing unit consisting of Lot 1 and the NE $\frac{1}{4}$  NW $\frac{1}{4}$ , W $\frac{1}{2}$  NE $\frac{1}{4}$ , and NE $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 18, Township 7 South, Range 93 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation, and to pool all nonconsenting interests in said unit, for the development and operation of the Williams Fork Formation.

Order No. 407-346, Wattenberg Field, Weld County: Approves the request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the N $\frac{1}{2}$  NW $\frac{1}{4}$  of Section 1, Township 5 North, Range 65 West, 6<sup>th</sup> P.M. and the S $\frac{1}{2}$  SW $\frac{1}{4}$  of Section 36, Township 6 North, Range 65 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations.

Order No. 407-347, Wattenberg Field, Weld County: Approves the request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the NW $\frac{1}{4}$  NE $\frac{1}{4}$  and the NE $\frac{1}{4}$  NW $\frac{1}{4}$  of Section 1, Township 5 North, Range 65 West, 6<sup>th</sup> P.M. and the SW $\frac{1}{4}$  SE $\frac{1}{4}$  and the SE $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 36, Township 6 North, Range 65 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations.

Order No. 407-348, Wattenberg Field, Weld County: Approves the request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the N $\frac{1}{2}$  SW $\frac{1}{4}$  and the S $\frac{1}{2}$  NW $\frac{1}{4}$  of Section 36, Township 5 North, Range 64 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations.

Order No. 407-349, Wattenberg Field, Weld County: Approves the request for an order to establish an approximate 160-acre wellbore spacing unit consisting of the NW $\frac{1}{4}$  NW $\frac{1}{4}$  of Section

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1 and the NE $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 2, Township 5 North, Range 65 West, 6<sup>th</sup> P.M. and the SE $\frac{1}{4}$  SE $\frac{1}{4}$  of Section 35 and the SW $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 36, Township 6 North, Range 65 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations, and to pool all nonconsenting interests in said unit, for the development and operation of the Codell and Niobrara Formations.

Order No. 191-68, Mamm Creek Field, Garfield County: Approves the request for an order to vacate drilling and spacing units established in Order 191-55, and establish one 240-acre drilling and spacing unit consisting of the SE $\frac{1}{4}$  and N $\frac{1}{2}$  SW $\frac{1}{4}$  of Section 13, Township 6 South, Range 93 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Order No. 191-69, Mamm Creek Field, Garfield County: Approves the request for an order to reaffirm Order 191-55 in the establishment of an approximate 320-acre drilling and spacing unit consisting of N $\frac{1}{2}$  of Section 13, Township 6 South, Range 92 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

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Carol Harmon, Secretary

Approved:

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Joshua Epel, Chair