

RECORD OF PROCEEDINGS

June 17, 2014

The Oil and Gas Conservation Commission (“COGCC”) met on June 17th, 2014, at the Rifle Branch Library, Garfield County Public Library District, 207 East Avenue, Rifle, CO 81650.

Tuesday, June 17, 2014 - Roll Call of Commissioners:

Present:

Tom Compton	Chairman
Larry Wolk	Commissioner
Deann Craig	Commissioner
Richard D. Alward	Commissioner
Mike King	Commissioner
Bill Hawkins	Commissioner
John Benton	Commissioner
Tommy Holton	Commissioner
Matt Lepore	Director
Jake Matter	Assistant Attorney General
Robert J. Frick	Hearings Manager

Absent:

Andrew Spielman	Vice-Chairman
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Approval of Proceedings:

Commissioner Benton made a motion to approve the minutes from the April 28, 2014 hearing. The motion was seconded by Commissioner Alward and approved unanimously.

Local Government Officials:

None present.

DNR Executive Director’s Report:

DNR Director King noted the following:

- 1) Kathleen Sachs is the new Assistant Director of Energy.
- 2) The Governor is engaged in discussions with stakeholders, including business interests, agriculture, homeowners, and environmentalists, regarding a legislative solution that would forestall the ballot initiatives that would amend the state constitution. These discussions will continue until they either succeed or the Governor determines that stakeholders are not going to reach an agreement. Discussions are ongoing.
- 3) Ruth Welch is the new BLM State Director. DNR and BLM are continuing to evolve their working relationship, especially in light of plans regarding the Gunnison Sage Grouse and the protection of other species over the next year.

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Director's Report:

COGCC Director Lepore noted the following:

1) Rulemaking:

- COGCC is beginning the formal process for a “Clean-up Rulemaking” in response to Executive Order 2012-002, which directed state agencies to undertake a periodic review of their rules using factors such as cost-effectiveness, efficiency, and necessity. The proposed changes have been posted on the COGCC website and released to stakeholders, a stakeholder meeting will be held on June 25, 2014, and the rulemaking hearing is scheduled for the July 28, 2014 Commission hearing in Greeley. The proposed changes are intended to be non-controversial and have been vetted by stakeholders to some extent already. Anyone can participate in this rulemaking and there is no need to apply to be a party. The deadline to participate is posted in the notice of rulemaking.
- COGCC will also undertake an upcoming rulemaking to implement HB 14-1356 increasing the COGCC’s penalty authority. This rulemaking will establish a new penalty schedule and method for calculating penalties. These proposed rule changes will likely be similar to those proposed in the December 2013 Enforcement and Penalty Policy Review in response to the Governor’s Executive Order D 2013-004.

2) The first week of May is Public Service Recognition Week and each state department selects one employee within that department who demonstrates the qualities desired in public servants – effectiveness, efficiency, and elegance. Jim Precup, COGCC Northeast Region Field Inspection Supervisor, was recognized as DNR’s 2014 Public Service Recognition Week honoree for his long-standing work for the state and his response to the 2013 September floods. He exemplifies the dedication that COGCC staff and so many DNR employees have to the people of Colorado.

3) COGCC has a robust summer intern program this year with three interns in the Hearings Unit, three in the Engineering Unit, and one in the Field Inspection Unit.

4) COGCC Staff:

- The Field Inspection Unit has added five new employees: three new reclamation specialists and two field inspectors.
- Craig Quint has been promoted to Eastern Plains Field Inspection Supervisor. Craig has over 36 years of experience in the oil and gas industry and began working for the COGCC as a field inspector.
- Barbara Westerdale has been promoted to Permit Group Supervisor. Barbara has 12 years of experience as a geologist in the oil and gas industry and began working as a Permit-Completions Tech with the COGCC in 2011.
- The agency is at all time high of full-time employees.

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- 5) The final Modular Large Volume Tank (MLVT) Policy was issued on June 13, 2014. It was previously presented to the Commission, which directed COGCC staff to continue to engage stakeholders. The resulting policy reflects the staff's position that MLVTs are important methods of storing fresh water, but not E&P Waste. Operators who wish to use them to store E&P waste must obtain a variance or approved E&P plan under the new MLVT Policy. This policy will be re-evaluated in a few months to determine if anything should be changed.
- 6) Memorandums of Understanding (MOU's):
 - COGCC met with BLM to discuss modifications to MOU between the agencies, particularly related to the BLM's common request to reduce the setback distances from drilling and spacing unit boundaries. BLM has historically protested COGCC setbacks due to its interpretation of COGCC Rules, but discussions are progressing and could lead to fewer protests.
 - COGCC also has revised its MOU with CDPHE's Water Quality Control Division to clean-up the language and update cross-references. The Commission needs to sign the revised MOU. The Director will circulate the MOU to the Commissioners and the Commissioners agreed to be represented by the Chairman and Director's signatures if no changes are desired after their review.

Commissioner Comments:

- 1) Chairman Compton asked the Director to describe the third-party evaluation of COGCC staff that was provided to the Commission. Director Lepore explained that these were the results of a state-wide employee engagement survey that ranked a variety of factors. The COGCC's results demonstrated the COGCC employees feel their work is very important. However, it also showed that the COGCC could improve communication among the staff – both top-down and bottom-up. COGCC will be doing a follow-up survey to find out how we to improve communication and maintain the areas where the agency is doing well.
- 2) Commissioner Craig requested information inspired by two press reports. Due to an article regarding spills and the consequences of those spills, the Commissioner would like to have a report on how well the Form 19 is doing in reporting spills. Second, in response to an article reporting that 4 in 10 high-risk wells are not being inspected by the BLM, the Commissioner asked whether the COGCC could offer field staff to help investigate these high-risk wells on the BLM's behalf. COGCC staff will look into both of these requests.

Public Comments:

- 1) Douglas Saxton – Resident of Parachute County representing concerned citizens. Mr. Saxton has observed that oil and gas operations are expanding in more and more places around the country, including Battlement Mesa where he lives. Injection wells are being permitted in Battlement Mesa – one permit that has been submitted to the COGCC is just outside the boundaries and more will likely be requested. Because of the reports linking increased seismicity and injection in Oklahoma and Greeley, Mr. Saxton

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asked the Commission to protect the welfare and safety of the citizens of Battlement Mesa by developing the best possible seismic monitoring and injection well rules.

- 2) Stan Dempsey – President of the Colorado Petroleum Association commenting on the MLVT Policy. Mr. Dempsey requested clarification on the enforceability of a policy; for example, the policy states that an operator “must” perform certain actions. He specifically asked whether noncompliance with the policy will constitute a violation and whether a Rule 502.b. variance request can apply to a policy.

Director Lepore explained that the difference between a rule and a policy is that a policy is not enforceable. COGCC policies are the result of a cooperative and collaborative process. However, the storing of E&P waste in MLVTs violates an existing rule – Rule 907, which directs operators to ensure that E&P waste is properly stored to “prevent threatened or actual significant adverse environmental impacts to air, water, soil or biological resources...”

Mr. Dempsey also stated that one of CPA’s members, Chevron, asked him to mention that they endorse CPA’s comments in addition to the comments they filed.

- 3) Jamie Jost – Jost & Shelton Energy Group and Colorado Oil & Gas Association (COGA) commenting on MLVT Policy. Ms. Jost thanked COGCC staff for meeting with stakeholders and taking into account stakeholder comments, especially regarding where these tanks may or may not be located in the state. COGA supports the review of the policy regarding the possible storage of E&P waste in MLVTs.
- 4) Kirby Winn – Garfield County Local Government Designee LGD shared air quality emissions data and requested a new CDPHE health assessment. Garfield County has had VOC monitoring stations throughout the county since 2008 and now has enough data to show trends and analyses. Although natural gas production is increasing, at two of the sites in Parachute and Bell Melton 18 out of 20 types of VOC’s have decreased from 2008 to 2012. Garfield County has determined that this is likely due to improved Best Management Practices.

Commissioner Benton inquired whether similar data has been collected in Weld County. Mr. Winn noted that he could not find another county that has this type of data density. Kent Kuster, CDPHE’s Oil and Gas Liaison, stated that CDPHE has two monitors in Weld County where the agency is seeing only small trends up and down in VOC emissions, and that the agency attributes the new air quality regulations for the maintenance of air quality even with the increase of industry in the area.

Commissioner Alward asked whether one of the explanations for decreased emissions could be decreased rig activity and how Garfield County reached the conclusion that BMP’s are the major contributor to the decline. He noted that the Commission should confirm what the causes of the trends are before endorsing Mr. Winn’s conclusions.

Mr. Winn also asked the Commission to prompt CDPHE to develop a new health assessment report based on the new data as soon as possible.

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Consent Agenda

With 68 matters listed for the Consent Agenda, Hearings Manager Robert Frick suggested that the Commission consider the matters in 16 groups, as follows:

Group A

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

Commissioner Alward moved for the approval of Group A, as recommended by staff, as follows:

Docket No. 1403-SP-2017, Wattenberg Field, Weld County

Applicant: DJ Resources, Inc.

Attorneys: Brent D. Chicken

Subject: Request for an order to: 1) establish an approximate 640-acre drilling and spacing unit for the Codell and Niobrara Formations; and 2) approve up to 14 horizontal wells within the unit.

Commissioner Benton seconded the motion and Group A was approved unanimously.

Group B

The protest in this matter was withdrawn and no further action was required by the Commission.

Group C

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

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

Docket No. 1404-UP-106, Wattenberg Field, Weld County

Applicant: Kerr-McGee Oil & Gas Onshore, LP

Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests, including leased mineral interest owners, in three approximate 360-acre to 720-acre designated wellbore spacing units.

Docket No. 1404-UP-109, Wattenberg Field, Weld County

Applicant: Kerr-McGee Oil & Gas Onshore, LP

Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests, including leased mineral interest owners, in three approximate 360-acre to 720-acre designated wellbore spacing units.

Docket No. 1404-UP-111, Wattenberg Field, Weld County

Applicant: Kerr-McGee Oil & Gas Onshore LP

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Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests, including leased mineral interest owners, in four approximate 240-acre to 480-acre designated wellbore spacing units.

Commissioner Holton seconded the motion and Group C was approved unanimously.

Group D

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

Commissioner Benton moved for the approval of Group D, as recommended by Staff, as follows:

Docket No. 1406-AW-12, Unnamed Field, Weld County

Applicant: Red Hawk Petroleum, LLC

Attorneys: Jamie L. Jost & James Parrot

Subject: Request for an order to approve up to eight horizontal wells within an approximate 640-acre drilling and spacing unit established by Order No. 535-51 for the Niobrara Formation.

Docket No. 1406-UP-140, Unnamed Field, Weld County

Applicant: Red Hawk Petroleum, LLC

Attorneys: Jamie L. Jost & James Parrot

Subject: Request for an order to pool all interests, including previously unnoticed interests, in an approximate 640-acre drilling and spacing unit established by Order No. 535-51, for the development and operation of the Niobrara Formation.

Docket No. 1406-UP-142, Unnamed Field, Weld County

Applicant: Red Hawk Petroleum, LLC

Attorneys: Jamie L. Jost & James Parrot

Subject: Request for an order to pool all interests in an approximate 960-acre drilling and spacing unit established by Order No. 535-421, for the development and operation of the Niobrara Formation.

Commissioner Alward seconded the motion and Group D was approved unanimously.

Group E

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

Commissioner Benton moved for the approval of Group E, as recommended by Staff, as follows:

Docket No. 1406-SP-2059, Vega Field, Mesa County

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Applicant: Piceance Energy, LLC
Attorneys: J. Michael Morgan & Justin Plaskov

Subject: Request for an order to: 1) vacate two approximate 320-acre drilling and spacing units established by Order No. 369-1 for the E½ and W½ of the Application Lands; 2) establish an approximate 640-acre drilling and spacing unit for the Application Lands, for the production of oil, gas, and associated hydrocarbons from the Williams Fork and Iles Formations; and 3) Authorized the equivalent one well per acres 10-acre density within the unit.

Docket No. 1406-UP-133, Wattenberg Field, Weld County

Applicant: Synergy Resources Corporation
Attorneys: J. Michael Morgan & Justin M Plaskov

Subject: Request for an order to pool all interests in an approximate 80-acre drilling and spacing unit for the Application Lands, for the development and operation of the Codell and Niobrara Formations.

Docket No. 1406-UP-134, Wattenberg Field, Weld County

Applicant: Synergy Resources Corporation
Attorneys: J. Michael Morgan & Justin M Plaskov

Subject: Request for an order to pool all interests in an approximate 80-acre drilling and spacing unit for the Application Lands, for the development and operation of the Codell and Niobrara Formations.

Docket No. 1406-UP-135, Wattenberg Field, Weld County

Applicant: Synergy Resources Corporation
Attorneys: J. Michael Morgan & Justin M Plaskov

Subject: Request for an order to pool all interests in an approximate 160-acre drilling and spacing unit for the Application Lands, for the development and operation of the Codell and Niobrara Formations.

Docket No. 1406-UP-136, Wattenberg Field, Weld County

Applicant: Synergy Resources Corporation
Attorneys: J. Michael Morgan & Justin M Plaskov

Subject: Request for an order to pool all interests in an approximate 160-acre drilling and spacing unit for the Application Lands, for the development and operation of the Codell and Niobrara Formations.

Docket No. 1406-UP-192, Wattenberg Field, Weld County

Applicant: Synergy Resources Corporation
Attorneys: J. Michael Morgan & Justin M Plaskov

Subject: Request for an order to: 1) approve an additional seven horizontal wells, for a total of eight horizontal wells within an approximate 640-acre drilling and spacing unit established by Order Nos. 407-514 and 535-104 for the Niobrara Formation; 2) require the productive interval of the wellbore to be located no closer than 460 feet from

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the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in the unit; and 3) pool all interests in the approximate 640-acre drilling and spacing unit for the development and operation of the Niobrara Formation.

Commissioner Holton seconded the motion and Group E was approved unanimously.

Group F

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

Commissioner Holton moved for the approval of Group F, as recommended by Staff, as follows:

Docket No. 1406-UP-128, Wattenberg Field, Weld County

Applicant: Encana Oil & Gas (USA) Inc
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests in an approximate 160-acre wellbore spacing unit established for the Application Lands, for the development and operation of the Codell Formation, effective as of the date of the Application.

Docket No. 1406-UP-137, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests in an approximate 480-acre designated horizontal wellbore spacing unit established for the Application Lands, effective as of the date of the Application, for development and operation of the Niobrara Formation.

Docket No. 1406-UP-138, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests in two approximate 480-acre designated horizontal wellbore spacing units established for the Application Lands, effective as of the date of the Application, for development and operation of the Niobrara Formation.

Docket No. 1406-UP-155, Wattenberg Field, Weld County

Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 480-acre designated horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Codell Formation, effective as of the date of the Application.

Docket No. 1406-UP-182, Wattenberg Field, Weld County

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Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to subject any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date that any of the costs specified in §34-60-116(7)(b), C.R.S. were first incurred for the drilling of the Howard Federal 40N-22HZ Well (API No. 05-123-38235).

Commissioner Benton seconded the motion and Group F was approved unanimously.

Group G

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

Commissioner Benton moved for the approval of Group G, as recommended by Staff, as follows:

Docket No. 1404-UP-100, Wattenberg Field, Weld County

Applicant: Extraction Oil and Gas, LLC
Attorneys: Gretchen VanderWerf

Subject: Request for an order to pool all interests in two approximate 640-acre designated wellbore spacing units for the development and operation of the Codell and/or Niobrara Formations. Both units contain the same Application Lands.

Docket No. 1404-UP-101, Unnamed Field, Weld County

Applicant: Extraction Oil and Gas, LLC
Attorneys: Gretchen VanderWerf

Subject: Request for an order to: 1) pool all interests in two approximate 640-acre designated wellbore spacing units for the development and operation of the Codell and/or Niobrara Formations. Both units contain the same Application Lands. 2) subject any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date that any of the costs specified in §34-60-116(7)(b), C.R.S., were first incurred for the drilling of the Twell #12 Well in WSU #1 to the Niobrara Formation and the Twell #13 in WSU #2 to the Codell Formation.

Commissioner Holton seconded the motion and Group G was approved unanimously.

Group H

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

Commissioner Holton moved for the approval of Group H, as recommended by Staff, as follows:

Docket No. 1406-UP-154, Wattenberg Field, Weld County

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Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Jamie L. Jost & Joseph Evers

Subject: Request for an order to pool all interests in three approximate 480-acre designated wellbore spacing units, for the development and operation of the Codell and Niobrara Formations.

Docket No. 1406-UP-156, Wattenberg Field, Weld County

Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Jamie L. Jost & Joseph Evers

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 240-acre designated horizontal wellbore spacing unit, for the development and operation of the Codell Formation.

Docket No. 1406-UP-157, Wattenberg Field, Weld County

Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Jamie L. Jost & Joseph Evers

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in three approximate 480-acre designated horizontal wellbore spacing units, for the development and operation of the Codell and Niobrara Formations.

Docket No. 1406-UP-163, Wattenberg Field, Weld County

Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Jamie L. Jost & Joseph Evers

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 240-acre designated horizontal wellbore spacing unit, for the development and operation of the Niobrara Formation.

Commissioner Benton seconded the motion and Group H was approved unanimously.

Group I

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

Commissioner Benton moved for the approval of Group I, as recommended by Staff, as follows:

Docket No. 1404-UP-98, Unnamed Field, Arapahoe County

Applicant: ConocoPhillips Company
Attorneys: Jamie L. Jost & James Parrot

Subject: Request for an order to pool all interests in an approximate 1280-acre exploratory drilling and spacing unit for the development and operation of the Niobrara Formation.

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Docket No. 1406-UP-153, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.
Attorneys: Jamie L. Jost & Joseph Evers

Subject: Request for an order to pool all interests, including leased mineral interests, in an approximate 404-acre wellbore spacing unit for the development and operation of the Niobrara Formation.

Docket No. 1404-UP-120, Wattenberg Field, Weld County

Applicant: PDC Energy, Inc.
Attorneys: Jamie L. Jost & Joseph M. Evers

Subject: Request for an order to pool all interests in an approximate 320-acre designated wellbore spacing unit for the development and operation of the Niobrara Formation.

Docket No. 1406-UP-169, Wattenberg Field, Weld County

Applicant: PDC Energy, Inc.
Attorneys: Jamie L. Jost & Joseph M. Evers

Subject: Request for an order to pool all interests in an approximate 320-acre wellbore spacing unit, effective as of the Application, for the drilling of the SunMarke 28W-414 Well (API No. 05-123-38903), for the development and operation of the Codell Formation.

Docket No. 1406-UP-170, Wattenberg Field, Weld County

Applicant: PDC Energy, Inc.
Attorneys: Jamie L. Jost & Joseph M. Evers

Subject: Request for an order to pool all interests in an approximate 320-acre wellbore spacing unit, effective as of the Application, for the drilling of the SunMarke 28U-334 Well, (API No. 05-123-38900), for the development and operation of the Niobrara Formation.

Commissioner Craig seconded the motion and Group I was approved unanimously.

Group J

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

Commissioner Holton moved for the approval of Group J, as recommended by Staff, as follows:

Docket No. 1406-AW-10, Unnamed Field, Weld County

Applicant: Red Hawk Petroleum, LLC
Attorneys: Jamie L. Jost & James Parrot

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Subject: Request for an order to approve up to eight horizontal wells within an approximate 640-acre drilling and spacing unit established by Order Nos. 407-514 and 535-104 for the Niobrara Formation.

Docket No. 1406-AW-11, Unnamed Field, Weld County

Applicant: Red Hawk Petroleum, LLC
Attorneys: Jamie L. Jost & James Parrot

Subject: Request for an order to approve up to 14 horizontal wells within an approximate 1280-acre drilling and spacing unit established by Orders Nos. 407-514 and 535-104 for the Niobrara Formation.

Docket No. 1406-AW-13, Unnamed Field, Weld County

Applicant: Red Hawk Petroleum, LLC
Attorneys: Jamie L. Jost & James Parrot

Subject: Request for an order to approve up to 16 horizontal wells within an approximate 1,280-acre drilling and spacing unit established by Order No. 535-8 for the Niobrara Formation.

Docket No. 1406-AW-14, Unnamed Field, Weld County

Applicant: Red Hawk Petroleum, LLC
Attorneys: Jamie L. Jost & James Parrot

Subject: Request for an order to approve up to 15 horizontal wells within an approximate 1,280-acre drilling and spacing unit established by Order No. 535-51 for the Niobrara Formation.

Docket No. 1406-AW-15, Unnamed Field, Weld County

Applicant: Red Hawk Petroleum, LLC
Attorneys: Jamie L. Jost & James Parrot

Subject: Request for an order to approve up to fifteen horizontal wells within an approximate 1,280-acre drilling and spacing unit established by Order No. 535-9 for the Niobrara Formation.

Commissioner Benton seconded the motion and Group J was approved unanimously.

Group K

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

Commissioner Benton moved for the approval of Group K, as recommended by Staff, as follows:

Docket No. 1406-UP-139, Unnamed Field, Weld County

Applicant: Red Hawk Petroleum, LLC
Attorneys: Jamie L. Jost & James Parrot

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Subject: Request for an order to pool all interests, including previously unnoticed interests, in an approximate 1,280-acre drilling and spacing unit established by Order No. 535-9, for the development and operation of the Niobrara Formation.

Docket No. 1406-UP-141, Unnamed Field, Weld County

Applicant: Red Hawk Petroleum, LLC
Attorneys: Jamie L. Jost & James Parrot

Subject: Request for an order to pool all interests, including previously unnoticed interests, in an approximate 1,280-acre drilling and spacing unit established by Order Nos. 407-514 and 535-104, for the development and operation of the Niobrara Formation.

Docket No. 1406-UP-145, Unnamed Field, Weld County

Applicant: Red Hawk Petroleum, LLC
Attorneys: Jamie L. Jost & James Parrot

Subject: Request for an order to pool all interests, including previously unnoticed interests, in an approximate 1,280-acre drilling and spacing unit established by Order Nos. 407-514 and 535-104, for the development and operation of the Niobrara Formation.

Docket No. 1406-UP-146, Unnamed Field, Weld County

Applicant: Red Hawk Petroleum, LLC
Attorneys: Jamie L. Jost & James Parrot

Subject: Request for an order to pool all interests, including previously unnoticed interests, in an approximate 1,280-acre drilling and spacing unit established by Order No. 535-51, for the development and operation of the Niobrara Formation.

Docket No. 1406-UP-147, Unnamed Field, Weld County

Applicant: Red Hawk Petroleum, LLC
Attorneys: Jamie L. Jost & James Parrot

Subject: Request for an order to pool all interests, including previously unnoticed interests, in an approximate 1,280-acre drilling and spacing unit established by Order No. 535-8, for the development and operation of the Niobrara Formation.

Commissioner Holton seconded the motion and Group K was approved unanimously.

Group L

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

Commissioner Holton moved for the approval of Group L, as recommended by Staff, as follows:

Docket No. 1406-UP-190, Wattenberg Field, Weld County

Applicant: Red Hawk Petroleum, LLC
Attorneys: Brent D. Chicken

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Subject: Request for an order to: 1) establish an approximate 320-acre drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; 2) approve up to four horizontal wells within the unit; 3) require the productive interval of the wellbore to be located no closer than 460 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in the unit; and 4) pool all interests in the proposed approximate 320-acre drilling and spacing unit for the development and operation of the Niobrara Formation.

Commissioner Benton seconded the motion and Group L was approved unanimously.

Group M

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

Commissioner Benton moved for the approval of Group M, as recommended by Staff, as follows:

Docket No. 1401-UP-39, Wattenberg Field, Weld County

Applicant: Kerr-McGee Oil & Gas Onshore, LP
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests, including leased mineral interest owners, in an approximate 640-acre designated wellbore spacing unit.

Docket No. 1406-UP-127, Wattenberg Field, Weld County

Applicant: Encana Oil & Gas (USA) Inc
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests in an approximate 160-acre designated horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Codell Formation, effective as of the date of the Application.

Docket No. 1406-UP-174, Wattenberg Field, Weld County

Applicant: Bill Barrett Corporation.
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests within an approximate 320-acre wellbore spacing unit established for the Application Lands, effective as of the earlier of the date of the Application, for the development and operation of the Codell-Niobrara Formation.

Docket No. 1406-UP-175, Wattenberg Field, Weld County

Applicant: Bill Barrett Corporation.
Attorneys: Robert A. Willis & Jillian Fulcher

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Subject: Request for an order to pool all interests within an approximate 320-acre wellbore spacing unit established for the Application Lands, effective as of the date of the Application, for the development and operation of the Codell Formation.

Docket No. 1406-UP-176, Wattenberg Field, Weld County

Applicant: Bill Barrett Corporation.

Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests in the approximate 320-acre horizontal wellbore spacing unit established for the Application Lands, effective as of the date of the Application, for development and operation of the Codell Formation.

Commissioner King seconded the motion and Group M was approved unanimously.

Group N

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

Commissioner Craig moved for the approval of Group N, as recommended by Staff, as follows:

Docket No. 1406-SP-2075, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.

Attorneys: Jamie L. Jost & Joseph Evers

Subject: Request for an order to modify Order No. 535-3 to allow 300 foot setbacks for the western section boundary line of Section 7, Township 9 North, Range 58 West, 6th P.M. for the Codell and Niobrara Formations.

Docket No. 1404-UP-117, Wattenberg Field, Weld County

Applicant: Noble Energy, Inc.

Attorneys: Jamie L. Jost & Joseph M. Evers

Subject: Request for an order to pool all interests within an approximate 640-acre wellbore spacing unit for the drilling of the NCLP PC AA04-62-1HN Well, (API No. 05-123-37175) for the development of the Niobrara Formation.

Docket No. 1406-UP-167, Wattenberg Field, Weld County

Applicant: PDC Energy, Inc.

Attorneys: Jamie L. Jost & Joseph M. Evers

Subject: Request for an order to pool all interests in an approximate 160-acre wellbore spacing unit for the development and operation of the Codell-Niobrara Formation.

Docket No. 1406-UP-168, Wattenberg Field, Weld County

Applicant: PDC Energy, Inc.

Attorneys: Jamie L. Jost & Joseph M. Evers

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Subject: Request for an order to pool all interests in an approximate 320-acre wellbore spacing unit for the development and operation of the Niobrara Formation.

Commissioner Benton seconded the motion and Group N was approved unanimously.

Group O

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

Commissioner Holton moved for the approval of Group O, as recommended by Staff, as follows:

Docket No. 1406-SP-2070, Wattenberg Field, Adams County

Applicant: Ward Petroleum Corporation
Attorneys: J. Michael Morgan & Justin M Plaskov

Subject: Request for an order to: 1) establish an approximate 640-acre drilling and spacing unit for horizontal well development to the Codell and Niobrara Formations; and 2) Approve up to 12 horizontal wells within the unit.

Docket No. 1406-SP-2071, Wattenberg Field, Adams County

Applicant: Ward Petroleum Corporation
Attorneys: J. Michael Morgan & Justin M Plaskov

Subject: Request for an order to: 1) establish an approximate 640-acre drilling and spacing unit for horizontal well development to the Codell and Niobrara Formations; and 2) approve up to 12 horizontal wells within the unit.

Docket No. 1406-SP-2072, Wattenberg Field, Adams County

Applicant: Ward Petroleum Corporation
Attorneys: J. Michael Morgan & Justin M Plaskov

Subject: Request for an order to: 1) establish an approximate 640-acre drilling and spacing unit for horizontal well development to the Codell and Niobrara Formations; and 2) approve up to 12 horizontal wells within the unit.

Docket No. 1406-UP-186, Wattenberg Field, Adams County

Applicant: Ward Petroleum Corporation
Attorneys: J. Michael Morgan & Justin M Plaskov

Subject: Request for an order to pool all interests in an approximate 640-acre drilling and spacing unit for the Application Lands, for the development and operation of the Codell and Niobrara Formations.

Docket No. 1406-UP-187, Wattenberg Field, Adams County

Applicant: Ward Petroleum Corporation
Attorneys: J. Michael Morgan & Justin M Plaskov

RECORD OF PROCEEDINGS

Subject: Request for an order to pool all interests in an approximate 640-acre drilling and spacing unit for the Application Lands, for the development and operation of the Codell and Niobrara Formations.

Docket No. 1406-UP-188, Wattenberg Field, Adams County

Applicant: Ward Petroleum Corporation

Attorneys: J. Michael Morgan & Justin M Plaskov

Subject: Request for an order to pool all interests in an approximate 640-acre drilling and spacing unit for the Application Lands, for the development and operation of the Codell Formation.

Commissioner Benton seconded the motion and Group O was approved unanimously.

Group P

Chairman Compton asked if any Commissioners had a conflict of interest or recusals with any of the items within Group P of the Consent Agenda. Commissioner Alward recused himself from consideration of 1406-UP-126 and this matter was removed from Group P for separate consideration.

Commissioner Alward moved for the approval of Group P, except for 1406-UP-126, as recommended by Staff, as follows:

Docket No. 1406-SP-2061, Unnamed Field, Weld County

Applicant: Cirque Resources LP

Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to: 1) establish an approximate 640-acre drilling and spacing unit for the Application Lands, for production of oil, gas and associated hydrocarbons from the Codell Formation; and 2) approve up to four horizontal wells for the approximate 640-acre drilling and spacing unit to be established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

Docket No. 1406-SP-2062, Unnamed Field, Weld County

Applicant: Cirque Resources LP

Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to: 1) establish an approximate 640-acre drilling and spacing unit for the Application Lands, for production of oil, gas and associated hydrocarbons from the Codell Formation; and 2) approve up to four horizontal wells for the approximate 640-acre drilling and spacing unit to be established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

Docket No. 1406-SP-2067, Wattenberg Field, Weld County

Applicant: Bill Barrett Corporation

Attorneys: Robert A. Willis & Jillian Fulcher

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Subject: Request for an order to: 1) maintain two approximate 640-acre drilling and spacing units established for the Application Lands for existing production of oil, gas and associated hydrocarbons from the Niobrara Formation; 2) establish two approximate 1,280-acre drilling and spacing units for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations; 3) approve up to 16 horizontal wells for the approximate 1,280-acre drilling and spacing unit to be established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; and 4) approve up to four horizontal wells for the approximate 1,280-acre drilling and spacing unit to be established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

Docket No. 1406-SP-2069, Wattenberg Field, Weld County

Applicant: Bill Barrett Corporation
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to: 1) maintain two approximate 640-acre drilling and spacing units established for the Application Lands for existing production of oil, gas and associated hydrocarbons from the Niobrara Formation; 2) establish two approximate 1,280-acre drilling and spacing units for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations; 3) approve up to 16 horizontal wells for the approximate 1,280-acre drilling and spacing unit to be established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; and 4) approve up to four horizontal wells for the approximate 1,280-acre drilling and spacing unit to be established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

Docket No. 1406-UP-129, Wattenberg Field, Weld County

Applicant: Encana Oil & Gas (USA) Inc
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests in three approximate 320-acre wellbore spacing units established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, effective as of the date of the Application.

Docket No. 1406-UP-130, Wattenberg Field, Weld County

Applicant: Encana Oil & Gas (USA) Inc
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests in two approximate 320-acre wellbore spacing units established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, effective as of the date of the Application.

Commissioner Holton seconded the motion and Group P, except for 1406-UP-126, was approved unanimously.

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Commissioner Holton moved for the approval of 1406-UP-126, as recommended by Staff, as follows:

Docket No. 1406-UP-126, Parachute Field, Garfield County

Applicant: WPX Energy Rocky Mountain, LLC

Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests in an approximate 320-acre drilling and spacing unit for the Application Lands, effective as of the earlier of the date of the Application, for the development and operation of the Williams Fork Formation.

Commissioner Benton seconded the motion and 1406-UP-126 was approved unanimously by the participating Commissioners Commissioner Alward, who recused himself, did not participate in the consideration or approval of 1406-UP-126.

Group Q

Commissioner Benton moved for the approval of Group Q, as recommended by Staff, as follows:

Docket No. 1406-SP-2076, Unnamed Field, Weld County

Applicant: Noble Energy, Inc.

Attorneys: Jamie L. Jost & Joseph Evers

Subject: Request for an order to modify Order No. 535-3 to allow 300-foot setbacks for the southern section lines of Sections 22, 23, and 24, Township 9 North, Range 59 West, 6th P.M., the eastern section lines of Section 28 and 33, Township 9 North, Range 59 West, 6th P.M., and the northern section lines of Sections 3 and 4, Township 8 North, Range 59 West., 6th P.M., for the Codell and Niobrara Formations.

Commissioner Craig seconded the motion and Group Q was approved unanimously.

Group - Enforcement

Chairman Compton asked if any Commissioners had a conflict of interest or recusals with any of the items within the Enforcement Group. Commissioner Alward recused himself from consideration of 1406-OV-49 and this matter was removed from the Enforcement Group for separate consideration.

Commissioner Benton inquired whether the corrective action deadline of May 9 for Magpie Operating in 1403-OV-06 and 1404-OV-07 had changed. Peter Gowen, COGCC Enforcement Officer, responded that there has been some delay in meeting those deadlines, but because COGCC staff has seen some progress they had allowed the operator a modest extension. Chairman Compton noted enforcement mechanisms in the AOC if the operator does not complete the corrective action, including both a suspended penalty and the revocation of Magpie's Form 10. Commissioner Craig noted that Enforcement Staff should consider which mechanism to use if that occurs in light of the fact that the hard penalty of \$120,000 will be affected by the Form 10 revocation.

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Commissioner Alward noted that in future cases where a MIT fails after it is overdue, this should be considered in the penalty calculation as an aggravating factor in order to encourage timely reporting and prevent failures.

Commissioner Holton moved for the approval of Enforcement Group, except for 1406-OV-49, as recommended by Staff, as follows:

Docket No. 1403-OV-26 Renegade Oil & Gas Company LLC

Subject: Staff requests approval of an AOC with Renegade Oil and Gas Company (Operator No. 74165) imposing a \$7,500 penalty for one violation of a 10-day violation of Rule 326.b.(1) (Mechanical Integrity Test, Shut-in Wells) for failure to perform a Mechanical Integrity Test on one Well in Adams County, Colorado.

Docket Nos. 1403-OV-06 and 1404-OV-07 Magpie Operating, Inc.

Subject: Staff requests approval of an AOC with Magpie Operating Inc. (Operator No. 52530) imposing a \$150,000 penalty for two NOAV's issued at two sites. Two enforcement cases have been consolidated into a single AOC. Violations include Rule 210 (Signs and Markers); Rule 324.A.a (General Pollution); Rule 603. (Weeds, Waste and Trash); Rule 804 (Visual Impact Mitigation); Rule 905 (Pits); Rule 906 (Spills and Releases); Rule 907 (Management of E&P Waste); Rule 909 (Site Investigation); Rule 910 (Remediation Standards); Rule 1002 (Site Preparation); and Rule 1003 (Interim Reclamation). The AOC provides for a suspension of \$30,000 of the penalty if Magpie completes a compliance schedule on time. Failure to satisfy the compliance schedule will result in the reinstatement of the \$30,000 suspended penalty and revocation of the operator's Form 10.

Docket No. 1406-OV-44 Sunburst Inc.

Subject: Staff requests approval of an AOC with Sunburst Inc. (Operator No. 83555) imposing an \$8,000 penalty for one 10-day violation of the Colorado Oil and Gas Conservation Act, § 34-60-121(1), C.R.S., for failure to comply with its approved Form 2A permit at a production facility in Larimer County, Colorado.

Docket No. 1406-OV-50 Petro Mex Resources

Subject: Staff requests approval of an AOC with Petro Mex imposing a \$38,000 penalty, with \$15,000 suspended, for four 10-day violations of Rule 326.b.1 (Mechanical Integrity Testing, Shut-in Wells) and Rule 309 (Form 7, Operator's Monthly Production Report) at two Wells in Garfield County, Colorado. The suspended \$15,000 will be vacated if Petro Mex remains compliant with Rule 309 at the Wells for one year from the date the Order is approved by the Commission. Otherwise, the remaining \$15,000 penalty will become due upon demand by the Director without further action by the Commission.

Commissioners Wolk and Benton seconded the motion and the Enforcement Group, except 1406-OV-49, was approved unanimously.

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Commissioner Wolk moved for the approval of 1406-OV-49, as recommended by Staff, as follows:

Docket No. 1406-OV-49 WPX Energy Rocky Mountain LLC

Subject: Staff requests approval of an AOC with WPX Energy Rocky Mountain LLC (Operator No. 96850) imposing a \$30,000 penalty for four 10-day violations of § 34-60-121(1), C.R.S. (Violation of a Permit Condition) for failure to submit a Sundry Notice, Form 4, and acquire prior approval before commencing completion operations as required by the conditions of approval in the Form 2's for four Wells in Garfield County, Colorado.

Commissioner Craig seconded the motion and 1406-OV-49 was approved unanimously by the participating Commissioners. Commissioner Alward, who recused himself, did not participate in the consideration or approval of 1406-OV-49.

Presentations to the Commission

Update on the Colbran Slide

Jonathan White, Colorado Geological Survey (CGS) Senior Engineering Geologist, provided the Commission with an update on the recent slide near Colbran in Mesa County, CO. The landslide was classified as an extremely rapid debris/earth flow, flowed 2.9 miles and 2,200 vertical feet, and resulted in three fatalities. It registered seismic activity of 2 minutes, 20 seconds, at a 2.8 magnitude. It was in an area of an ancient landslide complex and was likely a reactivation of an existing slide. The response team has been engaged in continuous monitoring and modeling and there are ongoing threats of the spread of the landslide due to moisture loading in the upper block and potential of burying or shearing of nearby oil and gas well-heads operated by Oxy.

Shaun Kellerby, COGCC Northwest Field Inspection Supervisor, explained that by the time he responded on the morning of the landslide, Oxy had removed all liquids from the impacted tanks, the wells were shut-in, and the flowlines were evacuated from the upper pad. The lower well pad continued producing, but it is a significant distance away from the bottom of the landslide footprint. Commissioner Craig asked whether there were plans to plug and abandon the wells. An Oxy representative stated that the company is evaluating options for moving forward and preparing for multiple contingencies as the data becomes available. Commissioner Benton asked Mr. White whether it is worth identifying areas where there might be additional landslides in the area. He responded that the CGS has not yet had the opportunity to investigate the possibility of future landslides. Karen Berry, CGS Acting Director, stated that CGS is hoping to get LiDAR data for the entire area.

Hearing Matters

Requests for Conditional Approval

The following are Uncontested Hearing Matters that have not fully complied with the publication and notice requirements, namely proof of publication of the Notice of Hearing, pursuant to §34-60-108(4), C.R.S., as required. The Hearing Officer recommended that the Commission *conditionally approve* these applications subject to the Applicant providing proof of compliance

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of all publication and notice requirements to the Hearing Officer. A Final Order will not be issued until all requirements have been met.

Commissioner Alward asked Commission Staff whether they are receiving increasing requests for conditional approval and the Commission whether it wants to continue the practice of granting conditional approvals. Robert J. Frick, COGCC Hearings Manager, responded that Hearings Staff has seen an increase in conditional approval requests but the overall number of matters has also increased. Hearing Officer Dorancy noted that it is usually smaller counties that take longer to get the proof of publication back to operators and Hearing Staff is working with operators to ensure these incidences are reduced. Commissioner Benton suggested using electronic publication. Operators have started to use electronic proofs of publication, but notice is not published electronically, per the applicable COGCC Rules.

Chairman Compton suggested the Commission approve the four Requests for Conditional Approval as a group. Commissioner Holton moved for the approval of the Requests for Conditional Approval, as follows:

Docket No. 1406-SP-2060, Unnamed Field, Moffat County

Applicant: Southwestern Energy Production Company
Attorneys: Steven M. Nagy & Michael T. Jewell

Subject: Request for an order to: 1) Establish an approximate 800-acre drilling and spacing unit for the Mancos and Niobrara Formations; 2) Determine the appropriate number of wells to efficiently and economically recover the oil, gas and associated hydrocarbons from the Mancos and Niobrara Formations.

Docket No. 1406-SP-2073, Parachute Field, Garfield County

Staff: Jill Dorancy, Hearings Officer
Applicant: Caerus Piceance LLC
Attorneys: J. Michael Morgan & Justin M Plaskov

Subject: Request for an order to: 1) vacate an approximate 563.1-acre drilling and spacing unit established by Order Nos. 139-116 and 440-67 for certain lands within Section 24, Township 7 South, Range 96 West, 6th P.M. located south of the center line of the Colorado River; 2) vacate an approximate 76.1-acre drilling and spacing unit established by Order No. 510-64 for certain lands north of the center line of the Colorado River; 3) amend Order Nos. 139-117, 440-69 and 139-118 to conform to the Application Lands listed in proposed DSU #1; and 4) establish an approximate 560-acre drilling and spacing unit, an approximate 70-acre drilling and spacing unit and an approximate 10-acre drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group; and 5) approve 10-acre bottomhole density within each unit.

Docket No. 1406-UP-193, Unnamed Field, Jackson County

Applicant: EE3 LLC
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to: 1) establish an approximate 640-acre drilling and spacing unit for the Application Lands, for the Niobrara Formation; 2) approve up to one horizontal well within the unit; and 3) pool all interests within the unit established for the

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Application Lands, for the development and operation of the Niobrara Formation, and subject all nonconsenting parties to cost recovery for the drilling of the well.

Docket No. 1406-SP-2066, Wattenberg Field, Weld County

Applicant: EE3 LLC
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to: 1) establish an approximate 1280-acre drilling and spacing unit for the Application lands for the Niobrara and Frontier Formations; and 2) approve up to 14 horizontal wells within the approximate 1,280-acre drilling and spacing unit, for the production of oil, gas and associated hydrocarbons from the Niobrara and Frontier Formations.

Commissioner Benton seconded the motion and the Commission unanimously approved the Requests for Conditional Approval.

Docket Nos. 1406-UP-171, 1406-UP-172, 1406-UP-173

On April 28, 2014, the Commission approved Order Nos. 407-1012, 407-1013 and 407-1015, pooling all interests in three designated wellbore spacing units. Prior to that, on April 17, 2014, Applicant submitted new Applications to pool previously un-locatable (unnoticed) interests. Jamie Jost of Jost & Shleton Energy Group presented evidence clarifying why these Applications were filed three days after the 511 testimony was submitted in the pending matter.

Commissioner Benton moved for the approval of Docket Nos. 1406-UP-171, 1406-UP-172, and 1406-UP-173, as follows:

Docket No. 1406-UP-171, Wattenberg Field, Weld County

Staff: Roger Albrandt, Hearing Officer
Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Jamie L. Jost & Joseph Evers

Subject: Request for an order to pool all interests, including previously unlocatable interests, in an approximate 480-acre designated wellbore spacing unit, for the development and operation of the Niobrara Formation.

Docket No. 1406-UP-172, Wattenberg Field, Weld County

Staff: Roger Albrandt, Hearing Officer
Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Jamie L. Jost & Joseph Evers

Subject: Request for an order to pool all interests, including previously unlocatable interests, in three approximate 480-acre designated wellbore spacing units, for the development and operation of the Niobrara and Codell Formations.

Docket No. 1406-UP-173, Wattenberg Field, Weld County

Staff: Roger Albrandt, Hearing Officer
Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Robert A. Willis & Jillian Fulcher

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Subject: Request for an order to pool all interests, including previously unlocatable interests, in an approximate 480-acre designated wellbore spacing unit, for the development and operation of the Niobrara Formation.

Commissioner Holton seconded the motion and the matters were approved unanimously.

Docket Nos. 1406-UP-148, 1406-UP-159, 1406-UP-166

The following Applications requested an Order for Involuntary Pooling from the Commission where all of the parties are consenting minerals interest owners. Jamie Jost of Jost & Shelton Energy Group presented evidence describing why pooling is required if the Applications do not involve nonconsenting parties and are not seeking cost recovery.

Commissioner Holton moved for the approval of Docket Nos. 1406-UP-148, 1406-UP-159, and 1406-UP-166, as follows:

Docket No. 1406-UP-148, Unnamed Field, Weld County

Staff: Roger Albrandt, Hearing Officer
Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Jamie L. Jost & James Parrot

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 640-acre designated horizontal wellbore spacing unit, for the development and operation of the Codell Formation.

Docket No. 1406-UP-159, Wattenberg Field, Weld County

Staff: Roger Albrandt, Hearing Officer
Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Jamie L. Jost & Joseph Evers

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 480-acre designated horizontal wellbore spacing unit, for the development and operation of the Codell Formation.

Docket No. 1406-UP-166, Wattenberg Field, Weld County

Staff: Roger Albrandt, Hearing Officer
Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Jamie L. Jost & Joseph Evers

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 480-acre designated horizontal wellbore spacing unit, for the development and operation of the Niobrara Formation.

Commissioner Craig seconded the motion and the matters were approved unanimously.

Docket Nos. 1406-UP-150, 1406-UP-158, 1406-UP-160, 1406-UP-161, 1406-UP-177, 1406-UP-179, 1406-UP-180, 1406-UP-185, 1406-UP-191

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The following Applications requested an Order for Involuntary Pooling from the Commission where all of the parties are consenting minerals interest owners. Rob Willis A. Willis provided testimony on the operator's process for contacting these parties and the reasoning behind these Applications.

Commissioner Benton moved for the approval of Docket Nos. 406-UP-150, 1406-UP-158, 1406-UP-160, 1406-UP-161, 1406-UP-177, 1406-UP-179, 1406-UP-180, 1406-UP-185, 1406-UP-191, as follows:

Docket No. 1406-UP-150, Unnamed Field, Weld County

Staff: Roger Albrandt, Hearing Officer
Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 800-acre designated horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Codell Formation, effective as of the date of the Application.

Docket No. 1406-UP-158, Wattenberg Field, Weld County

Staff: Roger Albrandt, Hearing Officer
Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 240-acre designated horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Niobrara Formation, as of the date of the Application.

Docket No. 1406-UP-160, Wattenberg Field, Weld County

Staff: Roger Albrandt, Hearing Officer
Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in two approximate 480-acre designated horizontal wellbore spacing units established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, effective as of the date of the Application.

Docket No. 1406-UP-161, Wattenberg Field, Weld County

Staff: Roger Albrandt, Hearing Officer
Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 240-acre designated horizontal wellbore spacing unit established for the Application Lands, for the

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development and operation of the Codell Formation, effective as of the date of the Application.

Docket No. 1406-UP-177, Wattenberg Field, Weld County

Staff: Roger Albrandt, Hearing Officer
Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 720-acre designated horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Codell Formation, effective as of the date of the Application.

Docket No. 1406-UP-179, Wattenberg Field, Weld County

Staff: Roger Albrandt, Hearing Officer
Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 720-acre designated horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Codell Formation, effective as of the date of the Application.

Docket No. 1406-UP-180, Wattenberg Field, Weld County

Staff: Roger Albrandt, Hearing Officer
Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in two approximate 720-acre designated horizontal wellbore spacing units established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, effective as of the date of the Application.

Docket No. 1406-UP-185, Wattenberg Field, Weld County

Staff: Roger Albrandt, Hearing Officer
Applicant: Kerr-McGee Oil & Gas Onshore LP
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 360-acre designated horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Niobrara Formation, effective as of the date of the Application.

Docket No. 1406-UP-191, Wattenberg Field, Weld County

Staff: Roger Albrandt, Hearing Officer
Applicant: Kerr-McGee Oil & Gas Onshore LP

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Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in two approximate 480-acre designated horizontal wellbore spacing units established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, effective as of the date of the Application.

Commissioner Holton seconded the motion and the matters were approved unanimously.

BLM PROTESTED MATTERS

Chairman Compton asked if any Commissioners had a conflict of interest or recusals with 1404-SP-2056. Commissioner Alward recused himself from consideration of 1404-SP-2056.

Commissioner Benton moved for the approval of Docket No. 1404-SP-2056:

Docket No. 1404- SP-2056, Sulfur Creek Field, Rio Blanco County

Staff: Jill Dorancy, Hearings Officer
Applicant: WPX Energy Rocky Mountain, LLC
Attorneys: Robert A. Willis & Jillian Fulcher

Subject: Request for an order to approve the equivalent of one well per 10 acre well density for the Application Lands, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Protest: Bureau of Land Management (Protest Withdrawn)
Representative: Lonny R. Bagley, Deputy State Director Energy, Lands and Minerals

Comment: This matter was protested by the BLM. The BLM withdrew its protest after Applicant amended its Application to withdraw certain lands which are immediately adjacent to unleased BLM minerals.

Commissioner Benton requested more information to support 10-acre spacing densities, instead of 40-acre densities in future cases.

Commissioner Craig seconded the motion and this matter was approved unanimously. Commissioner Alward did not vote or comment on 1404-SP-2046.

1406-OV-45 Redwine Resources, Inc.

Docket No. 1406-OV-45 Redwine Resources, Inc.

Staff: Mari Deminski, Assistant Attorney General

Subject: Pursuant to Rule 522.c., the Colorado Oil and Gas Conservation Commission Staff will apply to the Commission for an Order Finding Violation ("OFV") against Redwine Resources, Inc. (Operator No. 10107). Staff requested an Order Finding Violation: 1) determining Redwine is in violation of Rules 309, 319, 326, 902.d., 1002, and 1003; 2) imposing a penalty of \$60,000; 3) revoking Redwine's Form 10; 4) foreclosing Redwine's financial

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assurance for the well; and 5) declaring the South Nucla Unit Well orphaned and authorizing staff to plug and abandon the Well and reclaim the location.

Ms. Deminski presented Commission Staff's position with respect to 1406-OV-45. No parties from Redwine appeared at the hearing. Jake Matter commented on defunct operators and whether Redwine can reform as a different company with no recourse. The Commission has previously given instruction to staff to take scrutiny when bad actors are re-incorporating to conduct business in Colorado. Mr. Matter noted that absent extraordinary circumstances, people are free to form new entities and Commission Rules do not allow the Commission to pierce the corporate veil, but do allow it to identify a pattern of violation.

Commissioner King stated that similar to a Security and Exchange Commission violation, an individual should be precluded from operating in Colorado in these circumstances. DNR is developing its legislative agenda and Commissioner King will investigate this issue. Commissioner Craig commented that this is a clear avoidance of responsibility and needs to be discouraged.

Director Lepore described one of the Commission's past practices as including in the OFV a stipulation that until the penalty was satisfied the principals would not be allowed to operate oil and gas companies in Colorado.

Commissioner Benton made a motion to approve the Order Finding Violation. Commission Staff were directed to re-notice the matter in order to seek an amendment of the Order to include a stipulation that the principals will not be allowed to operate oil and gas companies in Colorado until the penalty is satisfied.

Commissioner Alward seconded the motion and this matter was approved unanimously. The Commission may revisit the treatment of the principals in the future.

Lunch Break/Executive Session-

Assistant Attorney General Jake Matter explained the basis for the Commission entering into executive session. The purpose of the executive session, pursuant to C.R.S. § 24-6-402(3)(a)(II), was to discuss matters with the attorney representing the Commission, concerning matters that are subject to pending or imminent court action, concerning specific claims or grievances, or to receive legal advice on specific legal questions.

Chairman Benton moved that the Commission enter Executive Session to discuss matters listed in the Hearing Agenda as follows:

- COGCC et al. vs. City of Longmont, Our Health, Our Future, Our Longmont, Food & Water Watch, Sierra Club, and Earthworks, 2013CV63 (Boulder Dist. Ct.) Status update.
- Rule 530 pooling issues, such as pooling leased parties and the timing of notice publication.

Commissioner Holton seconded the motion and the motion was approved unanimously. The motion to exit Executive Session was not recorded.

Thereafter, the Commission adjourned at approximately 12:49 p.m.

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The Secretary was therefore authorized to issue the following orders:

Order No. 407-1026, Docket No. 1403-SP-2017, Wattenberg Field, Weld County

Approves DJ Resources, Inc.'s request for an order to: 1) establish an approximate 640-acre drilling and spacing unit for the Codell and Niobrara Formations; and 2) approve up to 14 horizontal wells within the unit.

Order No. 407-1029, Docket No. 1404-UP-106, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore, LP's request for an order to pool all interests, including leased mineral interest owners, in three approximate 360-acre to 720-acre designated wellbore spacing units.

Order No. 407-1030, Docket No. 1404-UP-109, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore, LP's request for an order to pool all interests, including leased mineral interest owners, in three approximate 360-acre to 720-acre designated wellbore spacing units.

Order No. 407-1031, Docket No. 1404-UP-111, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including leased mineral interest owners, in four approximate 240-acre to 480-acre designated wellbore spacing units.

Order No. 535-489, Docket No. 1406-AW-12, Unnamed Field, Weld County

Approves Red Hawk Petroleum, LLC's request for an order to approve up to eight horizontal wells within an approximate 640-acre drilling and spacing unit established by Order No. 535-51 for the Niobrara Formation.

Order No. 535-498, Docket No. 1406-UP-140, Unnamed Field, Weld County

Approves Red Hawk Petroleum, LLC's request for an order to pool all interests, including previously unnoticed interests, in an approximate 640-acre drilling and spacing unit established by Order No. 535-51, for the development and operation of the Niobrara Formation.

Order No. 535-500, Docket No. 1406-UP-142, Unnamed Field, Weld County

Approves Red Hawk Petroleum, LLC's request for an order to pool all interests in an approximate 960-acre drilling and spacing unit established by Order No. 535-421, for the development and operation of the Niobrara Formation.

Order No. 369-12, Docket No. 1406-SP-2059, Vega Field, Mesa County

Approves Piceance Energy, LLC's request for an order to: 1) vacate two approximate 320-acre drilling and spacing units established by Order No. 369-1 for the E½ and W½ of the Application Lands; 2) establish an approximate 640-acre drilling and spacing unit for the Application Lands, for the production of oil, gas, and associated hydrocarbons from the Williams Fork and Iles Formations; and 3) Authorized the equivalent one well per acres 10-acre density within the unit.

Order No. 407-1043, Docket No. 1406-UP-133, Wattenberg Field, Weld County

Approves Synergy Resources Corporation's request for an order to pool all interests in an approximate 80-acre drilling and spacing unit for the Application Lands, for the development and operation of the Codell and Niobrara Formations.

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Order No. 407-1044, Docket No. 1406-UP-134, Wattenberg Field, Weld County

Approves Synergy Resources Corporation's request for an order to pool all interests in an approximate 80-acre drilling and spacing unit for the Application Lands, for the development and operation of the Codell and Niobrara Formations.

Order No. 407-1045, Docket No. 1406-UP-135, Wattenberg Field, Weld County

Approves Synergy Resources Corporation's request for an order to pool all interests in an approximate 160-acre drilling and spacing unit for the Application Lands, for the development and operation of the Codell and Niobrara Formations.

Order No. 407-1046, Docket No. 1406-UP-136, Wattenberg Field, Weld County

Approves Synergy Resources Corporation's request for an order to pool all interests in an approximate 160-acre drilling and spacing unit for the Application Lands, for the development and operation of the Codell and Niobrara Formations.

Order No. 407-1081, Docket No. 1406-UP-192, Wattenberg Field, Weld County

Approves Synergy Resources Corporation's request for an order to: 1) approve an additional seven horizontal wells, for a total of eight horizontal wells within an approximate 640-acre drilling and spacing unit established by Order Nos. 407-514 and 535-104 for the Niobrara Formation; 2) require the productive interval of the wellbore to be located no closer than 460 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in the unit; and 3) pool all interests in the approximate 640-acre drilling and spacing unit for the development and operation of the Niobrara Formation.

Order No. 407-1040, Docket No. 1406-UP-128, Wattenberg Field, Weld County

Approves Encana Oil & Gas (USA) Inc's request for an order to pool all interests in an approximate 160-acre wellbore spacing unit established for the Application Lands, for the development and operation of the Codell Formation, effective as of the date of the Application.

Order No. 407-1047, Docket No. 1406-UP-137, Wattenberg Field, Weld County

Approves Noble Energy, Inc.'s request for an order to pool all interests in an approximate 480-acre designated horizontal wellbore spacing unit established for the Application Lands, effective as of the date of the Application, for development and operation of the Niobrara Formation.

Order No. 407-1048, Docket No. 1406-UP-138, Wattenberg Field, Weld County

Approves Noble Energy, Inc.'s request for an order to pool all interests in two approximate 480-acre designated horizontal wellbore spacing units established for the Application Lands, effective as of the date of the Application, for development and operation of the Niobrara Formation.

Order No. 407-1053, Docket No. 1406-UP-155, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 480-acre designated horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Codell Formation, effective as of the date of the Application.

Order No. 407-1074, Docket No. 1406-UP-182, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to subject any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of

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the earlier of the date of the Application, or the date that any of the costs specified in §34-60-116(7)(b), C.R.S. were first incurred for the drilling of the Howard Federal 40N-22HZ Well (API No. 05-123-38235).

Order No. 407-1027, Docket No. 1404-UP-100, Wattenberg Field, Weld County

Approves Extraction Oil and Gas, LLC's request for an order to pool all interests in two approximate 640-acre designated wellbore spacing units for the development and operation of the Codell and/or Niobrara Formations. Both units contain the same Application Lands.

Order No. 407-1028, Docket No. 1404-UP-101, Unnamed Field, Weld County

Approves Extraction Oil and Gas, LLC's request for an order to: 1) pool all interests in two approximate 640-acre designated wellbore spacing units for the development and operation of the Codell and/or Niobrara Formations. Both units contain the same Application Lands. 2) subject any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date that any of the costs specified in §34-60-116(7)(b), C.R.S., were first incurred for the drilling of the Twell #12 Well in WSU #1 to the Niobrara Formation and the Twell #13 in WSU #2 to the Codell Formation.

Order No. 407-1052, Docket No. 1406-UP-154, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests in three approximate 480-acre designated wellbore spacing units, for the development and operation of the Codell and Niobrara Formations.

Order No. 407-1054, Docket No. 1406-UP-156, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 240-acre designated horizontal wellbore spacing unit, for the development and operation of the Codell Formation.

Order No. 407-1055, Docket No. 1406-UP-157, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in three approximate 480-acre designated horizontal wellbore spacing units, for the development and operation of the Codell and Niobrara Formations.

Order No. 407-1060, Docket No. 1406-UP-163, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 240-acre designated horizontal wellbore spacing unit, for the development and operation of the Niobrara Formation.

Order No. 535-486, Docket No. 1404-UP-98, Unnamed Field, Arapahoe County

Approves ConocoPhillips Company's request for an order to pool all interests in an approximate 1280-acre exploratory drilling and spacing unit for the development and operation of the Niobrara Formation.

Order No. 407-1051, Docket No. 1406-UP-153, Wattenberg Field, Weld County

Approves Noble Energy, Inc.'s request for an order to pool all interests, including leased mineral interests, in an approximate 404-acre wellbore spacing unit for the development and operation of the Niobrara Formation.

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Order No. 407-1033, Docket No. 1404-UP-120, Wattenberg Field, Weld County

Approves PDC Energy, Inc.'s request for an order to pool all interests in an approximate 320-acre designated wellbore spacing unit for the development and operation of the Niobrara Formation.

Order No. 407-1064, Docket No. 1406-UP-169, Wattenberg Field, Weld County

Approves PDC Energy, Inc.'s request for an order to pool all interests in an approximate 320-acre wellbore spacing unit, effective as of the Application, for the drilling of the SunMarke 28W-414 Well (API No. 05-123-38903), for the development and operation of the Codell Formation.

Order No. 407-1065, Docket No. 1406-UP-170, Wattenberg Field, Weld County

Approves PDC Energy, Inc.'s request for an order to pool all interests in an approximate 320-acre wellbore spacing unit, effective as of the Application, for the drilling of the SunMarke 28U-334 Well, (API No. 05-123-38900), for the development and operation of the Niobrara Formation.

Order No. 535-487, Docket No. 1406-AW-10, Unnamed Field, Weld County

Approves Red Hawk Petroleum, LLC's request for an order to approve up to eight horizontal wells within an approximate 640-acre drilling and spacing unit established by Order Nos. 407-514 and 535-104 for the Niobrara Formation.

Order No. 535-488, Docket No. 1406-AW-11, Unnamed Field, Weld County

Approves Red Hawk Petroleum, LLC's request for an order to approve up to 14 horizontal wells within an approximate 1280-acre drilling and spacing unit established by Orders Nos. 407-514 and 535-104 for the Niobrara Formation.

Order No. 535-490, Docket No. 1406-AW-13, Unnamed Field, Weld County

Approves Red Hawk Petroleum, LLC's request for an order to approve up to 16 horizontal wells within an approximate 1,280-acre drilling and spacing unit established by Order No. 535-8 for the Niobrara Formation.

Order No. 535-491, Docket No. 1406-AW-14, Unnamed Field, Weld County

Approves Red Hawk Petroleum, LLC's request for an order to approve up to 15 horizontal wells within an approximate 1,280-acre drilling and spacing unit established by Order No. 535-51 for the Niobrara Formation.

Order No. 535-492, Docket No. 1406-AW-15, Unnamed Field, Weld County

Approves Red Hawk Petroleum, LLC's request for an order to approve up to fifteen horizontal wells within an approximate 1,280-acre drilling and spacing unit established by Order No. 535-9 for the Niobrara Formation.

Order No. 535-497, Docket No. 1406-UP-139, Unnamed Field, Weld County

Approves Red Hawk Petroleum, LLC's request for an order to pool all interests, including previously unnoticed interests, in an approximate 1,280-acre drilling and spacing unit established by Order No. 535-9, for the development and operation of the Niobrara Formation.

Order No. 535-499, Docket No. 1406-UP-141, Unnamed Field, Weld County

Approves Red Hawk Petroleum, LLC's request for an order to pool all interests, including previously unnoticed interests, in an approximate 1,280-acre drilling and spacing unit

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established by Order Nos. 407-514 and 535-104, for the development and operation of the Niobrara Formation.

Order No. 535-501, Docket No. 1406-UP-145, Unnamed Field, Weld County

Approves Red Hawk Petroleum, LLC's request for an order to pool all interests, including previously unnoticed interests, in an approximate 1,280-acre drilling and spacing unit established by Order Nos. 407-514 and 535-104, for the development and operation of the Niobrara Formation.

Order No. 535-502, Docket No. 1406-UP-146, Unnamed Field, Weld County

Approves Red Hawk Petroleum, LLC's request for an order to pool all interests, including previously unnoticed interests, in an approximate 1,280-acre drilling and spacing unit established by Order No. 535-51, for the development and operation of the Niobrara Formation.

Order No. 535-503, Docket No. 1406-UP-147, Unnamed Field, Weld County

Approves Red Hawk Petroleum, LLC's request for an order to pool all interests, including previously unnoticed interests, in an approximate 1,280-acre drilling and spacing unit established by Order No. 535-8, for the development and operation of the Niobrara Formation.

Order No. 407-1079, Docket No. 1406-UP-190, Wattenberg Field, Weld County

Approves Red Hawk Petroleum, LLC's request for an order to: 1) establish an approximate 320-acre drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; 2) approve up to four horizontal wells within the unit; 3) require the productive interval of the wellbore to be located no closer than 460 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in the unit; and 4) pool all interests in the proposed approximate 320-acre drilling and spacing unit for the development and operation of the Niobrara Formation.

Order No. 407-1022, Docket No. 1401-UP-39, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore, LP's request for an order to pool all interests, including leased mineral interest owners, in an approximate 640-acre designated wellbore spacing unit.

Order No. 407-1039, Docket No. 1406-UP-127, Wattenberg Field, Weld County

Approves Encana Oil & Gas (USA) Inc's request for an order to pool all interests in an approximate 160-acre designated horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Codell Formation, effective as of the date of the Application.

Order No. 407-1069, Docket No. 1406-UP-174, Wattenberg Field, Weld County

Approves Bill Barrett Corporation's request for an order to pool all interests within an approximate 320-acre wellbore spacing unit established for the Application Lands, effective as of the earlier of the date of the Application, for the development and operation of the Codell-Niobrara Formation.

Order No. 407-1070, Docket No. 1406-UP-175, Wattenberg Field, Weld County

Approves Bill Barrett Corporation's request for an order to pool all interests within an approximate 320-acre wellbore spacing unit established for the Application Lands, effective as of the date of the Application, for the development and operation of the Codell Formation.

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Order No. 407-1082, Docket No. 1406-UP-176, Wattenberg Field, Weld County

Approves Bill Barrett Corporation's request for an order to pool all interests in the approximate 320-acre horizontal wellbore spacing unit established for the Application Lands, effective as of the date of the Application, for development and operation of the Codell Formation.

Order No. 535-495, Docket No. 1406-SP-2075, Wattenberg Field, Weld County

Approves Bill Barrett Corporation's request for an order to modify Order No. 535-3 to allow 300 foot setbacks for the western section boundary line of Section 7, Township 9 North, Range 58 West, 6th P.M. for the Codell and Niobrara Formations.

Order No. 407-1032, Docket No. 1404-UP-117, Wattenberg Field, Weld County

Approves Noble Energy, Inc.'s request for an order to pool all interests within an approximate 640-acre wellbore spacing unit for the drilling of the NCLP PC AA04-62-1HN Well, (API No. 05-123-37175) for the development of the Niobrara Formation.

Order No. 407-1062, Docket No. 1406-UP-167, Wattenberg Field, Weld County

Approves PDC Energy, Inc.'s request for an order to pool all interests in an approximate 160-acre wellbore spacing unit for the development and operation of the Codell-Niobrara Formation.

Order No. 407-1063, Docket No. 1406-UP-168, Wattenberg Field, Weld County

Approves PDC Energy, Inc.'s request for an order to pool all interests in an approximate 320-acre wellbore spacing unit for the development and operation of the Niobrara Formation.

Order No. 407-1036, Docket No. 1406-SP-2070, Wattenberg Field, Adams County

Approves Ward Petroleum Corporation's request for an order to: 1) establish an approximate 640-acre drilling and spacing unit for horizontal well development to the Codell and Niobrara Formations; and 2) Approve up to 12 horizontal wells within the unit.

Order No. 407-1037, Docket No. 1406-SP-2071, Wattenberg Field, Adams County

Approves Ward Petroleum Corporation's request for an order to: 1) establish an approximate 640-acre drilling and spacing unit for horizontal well development to the Codell and Niobrara Formations; and 2) approve up to 12 horizontal wells within the unit.

Order No. 407-1038, Docket No. 1406-SP-2072, Wattenberg Field, Adams County

Approves Ward Petroleum Corporation's request for an order to: 1) establish an approximate 640-acre drilling and spacing unit for horizontal well development to the Codell and Niobrara Formations; and 2) approve up to 12 horizontal wells within the unit.

Order No. 407-1076, Docket No. 1406-UP-186, Wattenberg Field, Adams County

Approves Ward Petroleum Corporation's request for an order to pool all interests in an approximate 640-acre drilling and spacing unit for the Application Lands, for the development and operation of the Codell and Niobrara Formations.

Order No. 407-1077, Docket No. 1406-UP-187, Wattenberg Field, Adams County

Approves Ward Petroleum Corporation's request for an order to pool all interests in an approximate 640-acre drilling and spacing unit for the Application Lands, for the development and operation of the Codell and Niobrara Formations.

Order No. 407-1078, Docket No. 1406-UP-188, Wattenberg Field, Adams County

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Approves Ward Petroleum Corporation's request for an order to pool all interests in an approximate 640-acre drilling and spacing unit for the Application Lands, for the development and operation of the Codell Formation.

Order No. 535-493, Docket No. 1406-SP-2061, Unnamed Field, Weld County

Approves Cirque Resources LP's request for an order to: 1) establish an approximate 640-acre drilling and spacing unit for the Application Lands, for production of oil, gas and associated hydrocarbons from the Codell Formation; and 2) approve up to four horizontal wells for the approximate 640-acre drilling and spacing unit to be established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

Order No. 535-494, Docket No. 1406-SP-2062, Unnamed Field, Weld County

Approves Cirque Resources LP's request for an order to: 1) establish an approximate 640-acre drilling and spacing unit for the Application Lands, for production of oil, gas and associated hydrocarbons from the Codell Formation; and 2) approve up to four horizontal wells for the approximate 640-acre drilling and spacing unit to be established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

Order No. 407-1034, Docket No. 1406-SP-2067, Wattenberg Field, Weld County

Approves Bill Barrett Corporation's request for an order to: 1) maintain two approximate 640-acre drilling and spacing units established for the Application Lands for existing production of oil, gas and associated hydrocarbons from the Niobrara Formation; 2) establish two approximate 1,280-acre drilling and spacing units for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations; 3) approve up to 16 horizontal wells for the approximate 1,280-acre drilling and spacing unit to be established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; and 4) approve up to four horizontal wells for the approximate 1,280-acre drilling and spacing unit to be established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

Order No. 407-1035, Docket No. 1406-SP-2069, Wattenberg Field, Weld County

Approves Bill Barrett Corporation's request for an order to: 1) maintain two approximate 640-acre drilling and spacing units established for the Application Lands for existing production of oil, gas and associated hydrocarbons from the Niobrara Formation; 2) establish two approximate 1,280-acre drilling and spacing units for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations; 3) approve up to 16 horizontal wells for the approximate 1,280-acre drilling and spacing unit to be established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; and 4) approve up to four horizontal wells for the approximate 1,280-acre drilling and spacing unit to be established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

Order No. 407-1041, Docket No. 1406-UP-129, Wattenberg Field, Weld County

Approves Encana Oil & Gas (USA) Inc.'s request for an order to pool all interests in three approximate 320-acre wellbore spacing units established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, effective as of the date of the Application.

Order No. 407-1042, Docket No. 1406-UP-130, Wattenberg Field, Weld County

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Approves Encana Oil & Gas (USA) Inc.'s request for an order to pool all interests in two approximate 320-acre wellbore spacing units established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, effective as of the date of the Application.

Order No. 440-74, Docket No. 1406-UP-126, Parachute Field, Garfield County

Approves WPX Energy Rocky Mountain, LLC's request for an order to pool all interests in an approximate 320-acre drilling and spacing unit for the Application Lands, effective as of the earlier of the date of the Application, for the development and operation of the Williams Fork Formation.

Order No. 535-496, Docket No. 1406-SP-2076, Unnamed Field, Weld County

Approves Noble Energy, Inc.'s request for an order to modify Order No. 535-3 to allow 300-foot setbacks for the southern section lines of Sections 22, 23, and 24, Township 9 North, Range 59 West, 6th P.M., the eastern section lines of Section 28 and 33, Township 9 North, Range 59 West, 6th P.M., and the northern section lines of Sections 3 and 4, Township 8 North, Range 59 West., 6th P.M., for the Codell and Niobrara Formations.

Order No. 1V-466, Docket No. 1403-OV-26 Renegade Oil & Gas Company LLC

Approves an AOC with Renegade Oil and Gas Company (Operator No. 74165) imposing a \$7,500 penalty for one violation of a 10-day violation of Rule 326.b.(1) (Mechanical Integrity Test, Shut-in Wells) for failure to perform a Mechanical Integrity Test on one Well in Adams County, Colorado.

Order No. 1V-462, Docket Nos. 1403-OV-06 and 1404-OV-07 Magpie Operating, Inc.

Approves an AOC with Magpie Operating Inc. (Operator No. 52530) imposing a \$150,000 penalty for two NOAV's issued at two sites. Two enforcement cases have been consolidated into a single AOC. Violations include Rule 210 (Signs and Markers); Rule 324.A.a (General Pollution); Rule 603. (Weeds, Waste and Trash); Rule 804 (Visual Impact Mitigation); Rule 905 (Pits); Rule 906 (Spills and Releases); Rule 907 (Management of E&P Waste); Rule 909 (Site Investigation); Rule 910 (Remediation Standards); Rule 1002 (Site Preparation); and Rule 1003 (Interim Reclamation). The AOC provides for a suspension of \$30,000 of the penalty if Magpie completes a compliance schedule on time. Failure to satisfy the compliance schedule will result in the reinstatement of the \$30,000 suspended penalty and revocation of the operator's Form 10.

Order No. 1V-467, Docket No. 1406-OV-44 Sunburst Inc.

Approves an AOC with Sunburst Inc. (Operator No. 83555) imposing an \$8,000 penalty for one 10-day violation of the Colorado Oil and Gas Conservation Act, § 34-60-121(1), C.R.S., for failure to comply with its approved Form 2A permit at a production facility in Larimer County, Colorado.

Order No. 1V-469, Docket No. 1406-OV-50 Petro Mex Resources

Approves an AOC with Petro Mex imposing a \$38,000 penalty, with \$15,000 suspended, for four 10-day violations of Rule 326.b.1 (Mechanical Integrity Testing, Shut-in Wells) and Rule 309 (Form 7, Operator's Monthly Production Report) at two Wells in Garfield County, Colorado. The suspended \$15,000 will be vacated if Petro Mex remains compliant with Rule 309 at the Wells for one year from the date the Order is approved by the Commission. Otherwise, the remaining \$15,000 penalty will become due upon demand by the Director without further action by the Commission.

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Order No. 1V-468, Docket No. 1406-OV-49 WPX Energy Rocky Mountain LLC

Approves an AOC with WPX Energy Rocky Mountain LLC (Operator No. 96850) imposing a \$30,000 penalty for four 10-day violations of § 34-60-121(1), C.R.S. (Violation of a Permit Condition) for failure to submit a Sundry Notice, Form 4, and acquire prior approval before commencing completion operations as required by the conditions of approval in the Form 2's for four Wells in Garfield County, Colorado.

Order No. 540-49, Docket No. 1406-SP-2060, Unnamed Field, Moffat County

Approves Southwestern Energy Production Company's request for an order to: 1) Establish an approximate 800-acre drilling and spacing unit for the Mancos and Niobrara Formations; 2) Determine the appropriate number of wells to efficiently and economically recover the oil, gas and associated hydrocarbons from the Mancos and Niobrara Formations.

Order No. 139-119, Docket No. 1406-SP-2073, Parachute Field, Garfield County

Approves Caerus Piceance LLC's request for an order to: 1) vacate an approximate 563.1-acre drilling and spacing unit established by Order Nos. 139-116 and 440-67 for certain lands within Section 24, Township 7 South, Range 96 West, 6th P.M. located south of the center line of the Colorado River; 2) vacate an approximate 76.1-acre drilling and spacing unit established by Order No. 510-64 for certain lands north of the center line of the Colorado River; 3) amend Order Nos. 139-117, 440-69 and 139-118 to conform to the Application Lands listed in proposed DSU #1; and 4) establish an approximate 560-acre drilling and spacing unit, an approximate 70-acre drilling and spacing unit and an approximate 10-acre drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group; and 5) approve 10-acre bottomhole density within each unit.

Order No. 531-12, Docket No. 1406-UP-193, Unnamed Field, Jackson County

Approves EE3 LLC's request for an order to: 1) establish an approximate 640-acre drilling and spacing unit for the Application Lands, for the Niobrara Formation; 2) approve up to one horizontal well within the unit; and 3) pool all interests within the unit established for the Application Lands, for the development and operation of the Niobrara Formation, and subject all nonconsenting parties to cost recovery for the drilling of the well.

Order No. 531-11, Docket No. 1406-SP-2066, Wattenberg Field, Weld County

Approves EE3 LLC's request for an order to: 1) establish an approximate 1280-acre drilling and spacing unit for the Application lands for the Niobrara and Frontier Formations; and 2) approve up to 14 horizontal wells within the approximate 1,280-acre drilling and spacing unit, for the production of oil, gas and associated hydrocarbons from the Niobrara and Frontier Formations.

Order No. 407-1066, Docket No. 1406-UP-171, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including previously unlocatable interests, in an approximate 480-acre designated wellbore spacing unit, for the development and operation of the Niobrara Formation.

Order No. 407-1067, Docket No. 1406-UP-172, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including previously unlocatable interests, in three approximate 480-acre designated wellbore spacing units, for the development and operation of the Niobrara and Codell Formations.

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Order No. 407-1068, Docket No. 1406-UP-173, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including previously unlocatable interests, in an approximate 480-acre designated wellbore spacing unit, for the development and operation of the Niobrara Formation.

Order No. 407-1049, Docket No. 1406-UP-148, Unnamed Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 640-acre designated horizontal wellbore spacing unit, for the development and operation of the Codell Formation.

Order No. 407-1057, Docket No. 1406-UP-159, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 480-acre designated horizontal wellbore spacing unit, for the development and operation of the Codell Formation.

Order No. 407-1061, Docket No. 1406-UP-166, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 480-acre designated horizontal wellbore spacing unit, for the development and operation of the Niobrara Formation.

Order No. 407-1050, Docket No. 1406-UP-150, Unnamed Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 800-acre designated horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Codell Formation, effective as of the date of the Application.

Order No. 407-1056, Docket No. 1406-UP-158, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 240-acre designated horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Niobrara Formation, as of the date of the Application.

Order No. 407-1058, Docket No. 1406-UP-160, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in two approximate 480-acre designated horizontal wellbore spacing units established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, effective as of the date of the Application.

Order No. 407-1059, Docket No. 1406-UP-161, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 240-acre designated horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Codell Formation, effective as of the date of the Application.

RECORD OF PROCEEDINGS

Order No. 407-1071, Docket No. 1406-UP-177, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 720-acre designated horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Codell Formation, effective as of the date of the Application.

Order No. 407-1072, Docket No. 1406-UP-179, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 720-acre designated horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Codell Formation, effective as of the date of the Application.

Order No. 407-1073, Docket No. 1406-UP-180, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in two approximate 720-acre designated horizontal wellbore spacing units established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, effective as of the date of the Application.

Order No. 407-1075, Docket No. 1406-UP-185, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in an approximate 360-acre designated horizontal wellbore spacing unit established for the Application Lands, for the development and operation of the Niobrara Formation, effective as of the date of the Application.

Order No. 407-1080, Docket No. 1406-UP-191, Wattenberg Field, Weld County

Approves Kerr-McGee Oil & Gas Onshore LP's request for an order to pool all interests, including, but not limited to, any nonconsenting interests and leased mineral interests, in two approximate 480-acre designated horizontal wellbore spacing units established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, effective as of the date of the Application.

Order No. 527-15, Docket No. 1404- SP-2056, Sulfur Creek Field, Rio Blanco County

Approves WPX Energy Rocky Mountain, LLC's request for an order to approve the equivalent of one well per 10 acre well density for the Application Lands, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

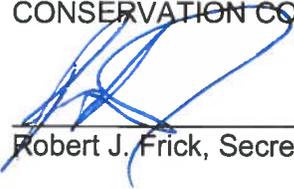
Order No. 1V-470, Docket No. 1406-OV-45 Redwine Resources, Inc.

Approves an Order Finding Violation against Redwine Resources, Inc.: 1) determining Redwine is in violation of Rules 309, 319, 326, 902.d., 1002, and 1003; 2) imposing a penalty of \$60,000; 3) revoking Redwine's Form 10; 4) foreclosing Redwine's financial assurance for the well; and 5) declaring the South Nucla Unit Well orphaned and authorizing staff to plug and abandon the Well and reclaim the location.

-END-

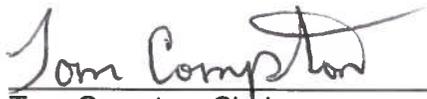
RECORD OF PROCEEDINGS

FOR THE COLORADO OIL AND GAS
CONSERVATION COMMISSION



Robert J. Frick, Secretary

Approved:



Tom Compton, Chairman