



01408453

ORIGINAL

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

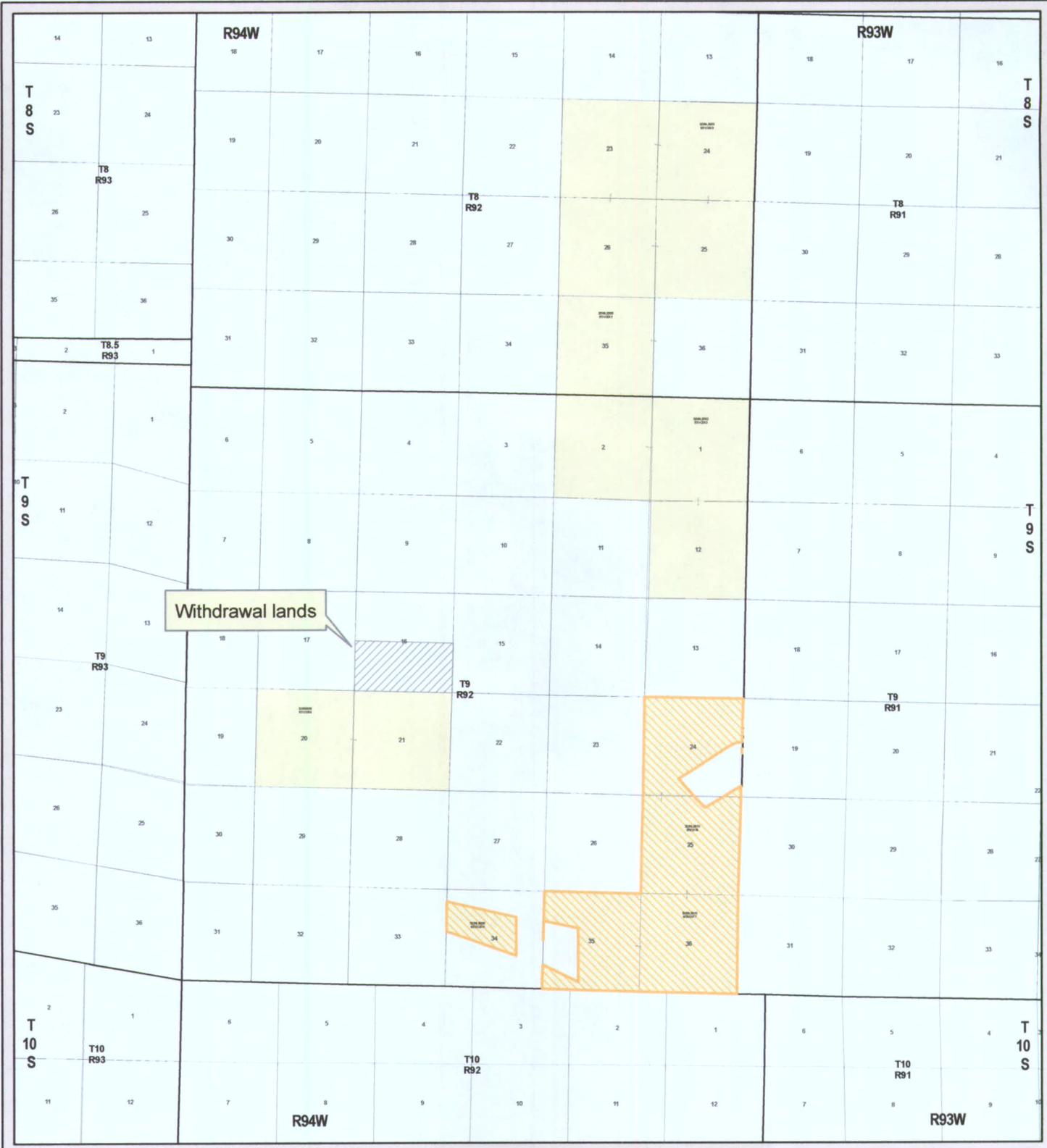
<p>IN THE MATTER OF THE APPLICATION OF PLAINS EXPLORATION &amp; PRODUCTION COMPANY FOR AN ORDER PARTIALLY VACATING ORDER 386-1 AND ESTABLISHING WELL LOCATION AND SETBACK RULES FOR THE DRILLING OF THE MESAVERDE GROUP FOR CERTAIN LANDS IN THE HIGHTOWER FIELD AREA LOCATED IN MESA COUNTY, COLORADO</p>	<p>CAUSE NO: 386 ORDER NO: DOCKET NO: 0808-AW-23</p> <div data-bbox="1133 310 1446 527" style="border: 1px solid black; padding: 5px; text-align: center;"> <p><b>RECEIVED</b> AUG 28 2008 <b>COGCC</b></p> </div>
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VERIFIED STATEMENT OF JOHN L. OBOURN, JR.  
LANDMAN

In support of the request for Director approval of the Verified Application of Plains Exploration and Production Company, on behalf of its affiliates and joint owners (collectively, "Applicant"), in Cause No. 386, Docket No. 0808-AW-23, pursuant to Rule 511.b., John L. Obourn, Jr., contract landman for Plains Exploration and Production Company, upon oath, deposes and states as follows:

I am currently employed as a contract landman for Plains Exploration & Production Company. I have been and am presently responsible for and have knowledge of land matters related to Township 9 South, Range 92 West, Section 24: Lots 1-5, N $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ ; Section 25: Lots 1 & 2, N $\frac{1}{2}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ ; Section 34: HES 171; Section 35: Lots 1-5, N $\frac{1}{2}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ ; and Section 36: All ("Application Lands").

- (a) I have testified previously as an expert witness in petroleum land matters before the COGCC or before Hearing Officers of the COGCC. Attached is a copy of my resume prepared by me. Also attached are Exhibit Nos. L-1 and L-2 which were prepared by me or under my direction and control. I have reviewed the exhibits and to the best of my knowledge and belief, the exhibits are correct and accurate as of the date of this Verified Statement.
- (b) Exhibit L-1 is a General Location Map of a portion of Applicant's leased lands in T8&9S, R92W, surrounding and including the Application Lands. Exhibit No. L-1 highlights the Application Lands where Applicant proposes the drilling of Mesaverde Group (includes Mesaverde and Iles formation) wells on a 10-acre density pattern. Applicant owns all of the working interest within the lands depicted in yellow on the attached Exhibit No. L-1. Exhibit No. L-1 also depicts land in T9S, R92W, Section 16: S/2, that was included in Applicant's originally-filed application but that Applicant now respectfully withdraws from consideration by the COGCC for 10-acre density at this time ("Withdrawal Lands").



Withdrawal lands



- Legend**
- APPLICATION AREA
  - PXP FEE LEASES
  - 10ACRE INCREASED SPACE DENSITY
  - WITHDRAWAL LANDS

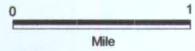


Exhibit L-1

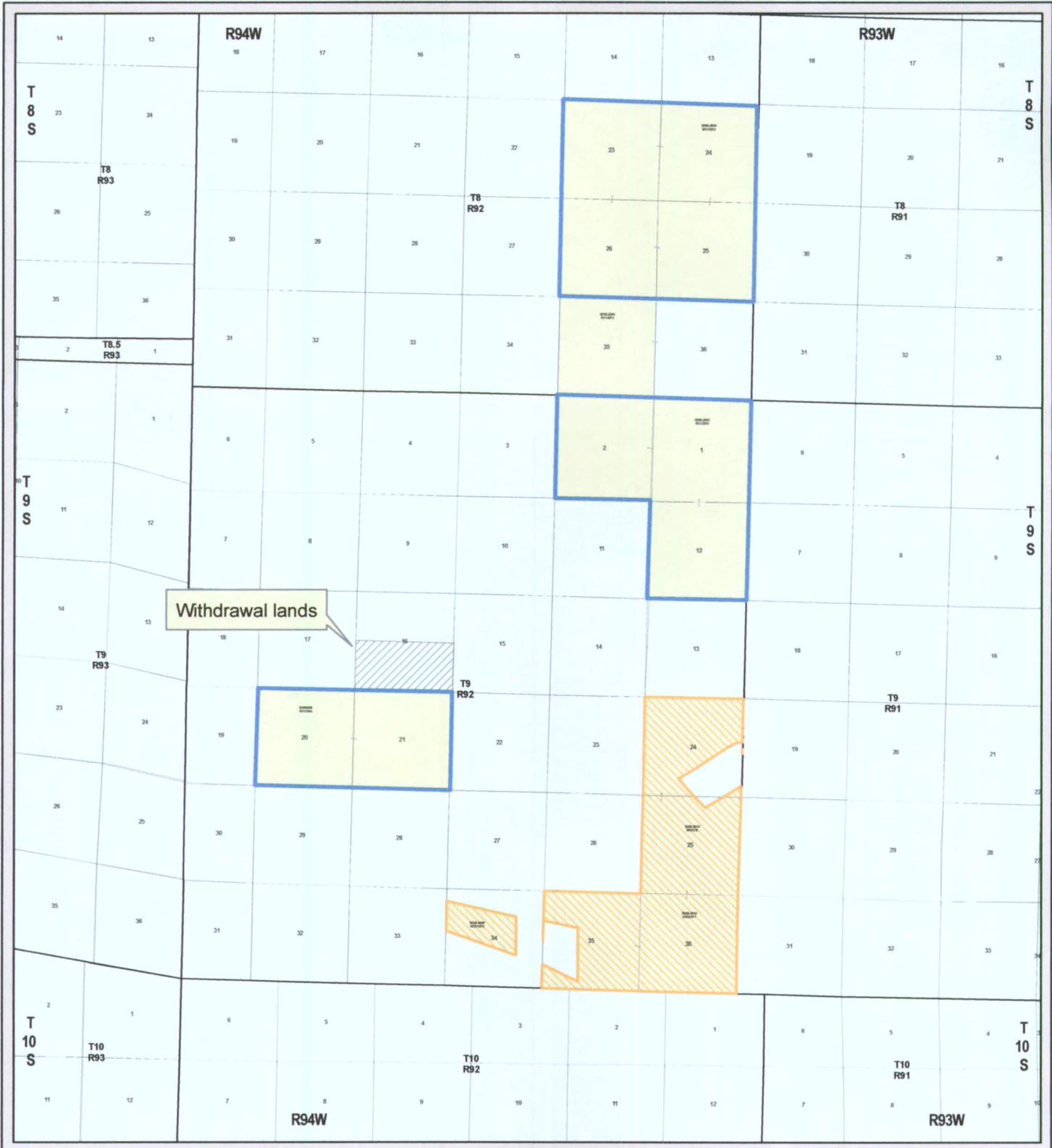
Cause No. 386  
Order No.  
Docket No. 0808-AW-23

**PXP**  
Plates Exploration & Production Company

**HELLS GULCH FIELD**  
Mesa County, Colorado  
*Land Map - Application Area*

Author: J. OBOURN	Date: August 21, 2008
Drawn by:	Revision Desc:
Reviewed by: S. Gulleck	Hells Gulch_PXP_Application_Area.mxd

I:\Drafting\Mapping\Jobs\Colorado



Withdrawal lands



**Legend**

-  APPLICATION AREA
-  PXP FEE LEASES
-  10ACRE INCREASED SPACE DENSITY
-  WITHDRAWAL LANDS

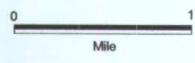


Exhibit L-2 Cause No. 386  
Order No.  
Docket No. 0808-AW-23

**PXP**  
Plains Exploration & Production Company

**HELLS GULCH FIELD**  
Mesa County, Colorado  
*Land Map - Application Area*

Author: J. OSBORN	Date: August 21, 2008
Drawn by:	Revision One:
Reviewed by: S. Gullik	Hells Gulch_PXP_Application_Area.mxd

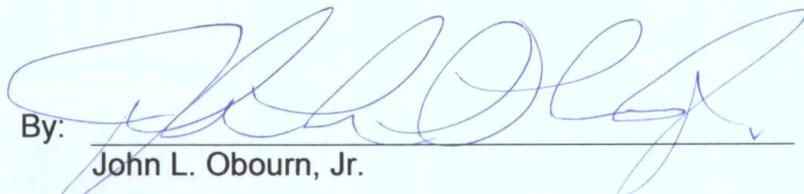
I:\Drafting\Mapping\Jobs\Colorado

- (c) Exhibit L-2 shows prior 10-acre density infill density Orders No. 386-1 and 386-2 that have been approved by the COGCC in the Hightower Field for the Mesaverde Group in the vicinity of the Application Lands at issue in this docket.
- (d) The majority of the surface is owned by the U.S. Forest Service. The only surface owned in fee is T9S, R92W, Section 34: HES 171 (160 acres), which is owned by Earl H. and Linda D. Hittle. Access on U.S. Forest Service Surface will be in accordance with applicable RMP's, EIS's, EA's, and in consultation with the U.S. Forest Service. At this time, Applicant does not propose to drill Section 34: HES 171. At such time as Applicant determines that use of the surface within Section 34: HES 171 is necessary, Applicant will comply with all rules of the COGCC, including but not limited to Rules 305 and 306, and all other applicable rules and regulations relative to surface use and will provide the COGCC with any Surface Use Agreement or other agreement entered into with the fee surface owner governing operations on lands that would fall within the Application Lands.
- (e) I have not been advised of and am not aware of any timely protests to this current Application.
- (f) The parties identified on the Exhibit "A" to this Verified Application are the parties entitled to notice under the rule of the COGCC.

VERIFICATION

John L. Obourn, Jr., of lawful age, being first duly sworn upon oath, deposes and says that he is a Contract Landman for Plains Exploration & Production Company, and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

PLAINS EXPLORATION & PRODUCTION  
COMPANY

By:   
John L. Obourn, Jr.  
Contract Landman, Plains Exploration &  
Production Company

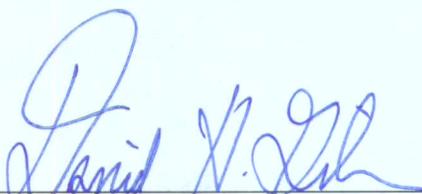
STATE OF COLORADO                    )  
  ) ss.  
COUNTY OF ARAPAHOE                )

Subscribed and sworn to before me this 13<sup>th</sup> day of August, 2008.

Witness my hand and official seal.

My commission expires: 6/20/12.

(SEAL)

  
Notary Public:



My Commission Expires 6-20-2012

***Exhibit to Cause No. 386***

***Order No.***

***Docket No. 0808-AW-23***

***August 13, 2008***

***RESUME OF JOHN L. OBOURN, JR.***

Having left management in the Banking Industry, I entered the Oil and Gas Industry in 1981 as an independent petroleum landman, primarily engaged in field work. From 1981 to present, I have worked continuously as an independent landman, representing many companies and individuals with field and in house projects in the regions listed below. Land related services that I have performed and continue to perform are more specifically set out below.

***EDUCATION***

1978 Graduate of Arizona State University  
Bachelor of Science Degree in Business Administration  
Major – Finance/Real Estate  
Minor - Mathematics

***REGIONS WORKED***

Rocky Mountain, Mid Continent

***RIGHT OF WAY SERVICES PERFORMED***

Due Diligence on Acquired Pipeline Systems ranging in size from \$100,000.00 to \$50,000,000.00;  
Negotiation and Acquisition of Rights of Way for Unregulated Gas Gathering and Regulated Transmission Lines;  
Preparation and filing of Federal, State, BIA and County Applications, Permits and Licenses;  
Attendance of "on-site" and pre-construction meetings;  
Presentations at City and County Public Hearings;  
Coordination of Right-of-Way Agreements and Contractual Obligations with General Contractor throughout construction phase;  
Provide Lead Contact in Landowner Relations.

***CONSULTING SERVICES PERFORMED***

Negotiation of Property Sales and Farmout Agreements;  
Attendance of Property Closings;  
Attendance of Unit Meetings;  
Review and Approval of AFE's and Joint Interest Billings;  
Preparation of Mineral Owner/Lessee Notification Lists for Real Estate and Alternative Energy Projects;  
Valuation of Producing and Non-producing Mineral/Leasehold Interests for IRS Purposes.

***LAND SERVICES PERFORMED***

Due Diligence for Acquisitions Ranging in Size From \$100,000.00 to \$900,000,000.00;  
Assistance with Data Room organization and supervision;  
Preparation of Title Chains and Cursory Abstracts for Opinion Preparation or Update Purposes;  
Examination of Fee, Federal and State Records;  
Preparation of Leasehold and Title Reports;  
Leasing, Payment of Drafts, Acquisition of Lease and Title Opinion Curative;  
Examination of Oil and Gas Commission Records for Spacing Requirements and Permits;  
Negotiation of Surface Use Agreements and Damage Settlements.

**RESUME OF JOHN L. OBOURN, JR.**

**Page 2.**

**EXHIBIT to Cause No. 386 (Continued)**

**ORGANIZATIONS/DESIGNATIONS**

Denver Association of Petroleum Landmen - Member since 1981  
American Association of Petroleum Landmen - Member since 1981  
Independent Petroleum Association of Mountain States - Member since 1997  
Western Slope Chapter of Colorado Oil & Gas Association – Member since 2001  
Certified Professional Landman No. 4031 - Exam passed in 1990 and renewed thereafter  
Licensed Colorado Real Estate Broker - Active Status as of 1978  
Licensed Wyoming Real Estate Broker - Active Status as of 2002  
Colorado Notary Public  
Guest Speaker at Denver Association Lease Title Analysts monthly luncheon - May 1997  
Topic: Leasing and Field Land Practices  
Guest Speaker at Denver Association Lease Title Analysts monthly luncheon - May 1998  
Topic: Adverse Possession  
Co-Chairman DAPL Ski Day 1995-2007

**PRIOR EXPERT WITNESS TESTIMONY TO COGCC**

SWD LLC - July 2002  
Plains Exploration & Production Company – January 2008, Cause No. 429-7

**REFERENCES**

Mr. M. Randolph Pharo  
Sr. Vice President, General Counsel  
St. Mary Land & Exploration, Inc.

Mr. Gregory R. Danielson  
Attorney at Law  
Davis Graham & Stubbs LLP

Mr. Peter J. Bjork  
Attorney at Law  
Bjork Lindley Little P.C.

Mr. James H. Peay  
Vice President Land  
MAK-J Energy Operating Co. LLC  
Past President Denver Association of Petroleum Landmen

Mr. Raymond J. Singleton, Jr.  
President, Basic Earth Science Systems, Inc.  
Past President Independent Petroleum Association of Mountain States

Additional references available upon request.

ORIGINAL

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

RECEIVED

AUG 28 2008

COGCC

IN THE MATTER OF THE PROMULGATION  
AND ESTABLISHMENT OF FIELD RULES TO  
GOVERN OPERATIONS IN THE HIGHTOWER  
FIELD, MESA COUNTY, COLORADO

CAUSE NO: 386

ORDER NO:

DOCKET NO: 0808-AW-23

**VERIFIED STATEMENT OF RICHARD A. LANG, GEOLOGIST**

In support of the request for Director approval of the Verified Application of Plains Exploration & Production Company in Cause No. 386 , Docket No. 0808-AW-23, pursuant to Rule 511.b., Richard A. Lang, Geologist of Plains Exploration & Production Company, upon oath, deposes and states as follows:

I am currently employed as a Geologist with Plains Exploration & Production Company. I will testify about the geology aspects of the Application. I have been and am presently responsible for and have knowledge of the geology related to the Piceance Basin.

- a. I have testified previously, via a verified statement, as an expert witness in petroleum geology matters before the COGCC or before Hearing Officers of the COGCC. Attached is a copy of my resume prepared by me. Also attached are Exhibits 1, 2, 3, 4, 5 and 6 which were prepared by me or under my direction and control. I have reviewed the exhibits and to the best of my knowledge and belief, the exhibits are correct and accurate as of the date of this Verified Statement.
- b. Exhibit No. 1 is a lease map showing currently leased acreage by Plains Exploration & Production Company and the application area outlined in orange.
- c. Exhibit No. 2 shows the Top Rollins structure map with contour interval of 250 feet. This is a regional marker and represents the stratigraphic boundary between the older marine (Corcoran, Cozzette, and Rollins) and the younger non-marine (Cameo and Williams Fork) members of the Mesaverde Group. The structure appears to be gently dipping from E to W towards the location of the basin depocenter.
- d. Exhibit No. 3 is a net sand isopach map of the Williams Fork Gas System (sometimes referred to as the "Continuous Gas Zone") with contour interval of 100 feet. The interval mapped comprises multiple vertically stacked, laterally discontinuous fluvial sand bodies, interpreted to be point bars or splay deposits inter-bedded with shale. The sands in this interval, saturated with natural gas, constitute the main target of Plains Exploration & Production Co. in the Piceance Basin.

- e. Exhibit No. 4 is a net sand isopach map of the Cozzette, with contour interval of 10 feet. The Cozzette sands along with the Rollins and the Corcoran are part of the Iles Formation and are interpreted to be regressive marine deposits. The Cozzette constitutes another target for Plains Exploration & Production Co. in the Piceance Basin.
- f. Exhibit No. 5 is a net sand isopach map of the Corcoran with contour interval of 10 feet. The Corcoran is interpreted to be also a regressive marine deposit. The map shows in general an increase in net sand from NE to SW. The Corcoran constitutes another target Plains Exploration & Production Co. in the Piceance Basin.
- g. Exhibit No. 6 is a stratigraphic cross section (A-A') hung on the Williams Fork Top of continuous Gas zone (namely TGas WF) through the SC USA 1-16, Govt 1, and the Porter Mountain 1-35 wells across the application area as shown by the A-A' trace in the index map. From top to bottom, the cross section shows the vertical stacking and lateral discontinuity of the fluvial sands within the Williams Fork. In this interval sand bodies can be rarely correlated from well to well, while in most cases they pinch out laterally at some distance from the well. This layout of the Williams Fork fluvial sands is typical throughout the Piceance Basin and is compatible with the model of multiple, vertically-stacked, laterally-migrating meander belts. The bottom part of the Williams Fork (from top CAMEO to top ROLLINS) is characterized by stacked laterally-continuous coal seams. These coals, deposited in paleo marshes indicate the uplift and emersion of the area during the Cretaceous and constitute excellent markers, and most likely are the source of the gas in the Williams Fork. The top Rollins marks the transition to the older marine deposits of the Iles Formation. The Rollins, Cozzette, and Corcoran members display fairly continuous coarsening upward log patterns typical of regressive para-sequences.

VERIFICATION

Richard A. Lang, of lawful age, being first duly sworn upon oath, deposes and says that he is a Geologist with Plains Exploration & Production Company, and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

By: Richard A. Lang  
Richard A. Lang  
PXP Geologist

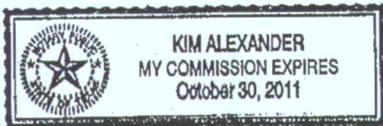
STATE OF TEXAS )  
 ) ss.  
COUNTY OF HARRIS )

Subscribed and sworn to before me this 27<sup>th</sup> day of August, 2008 by Richard A. Lang, Geologist for Plains Exploration & Production Company.

Witness my hand and official seal.

My commission expires: 10/30/11

Kim Alexander  
Notary Public



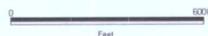
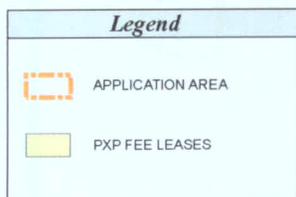
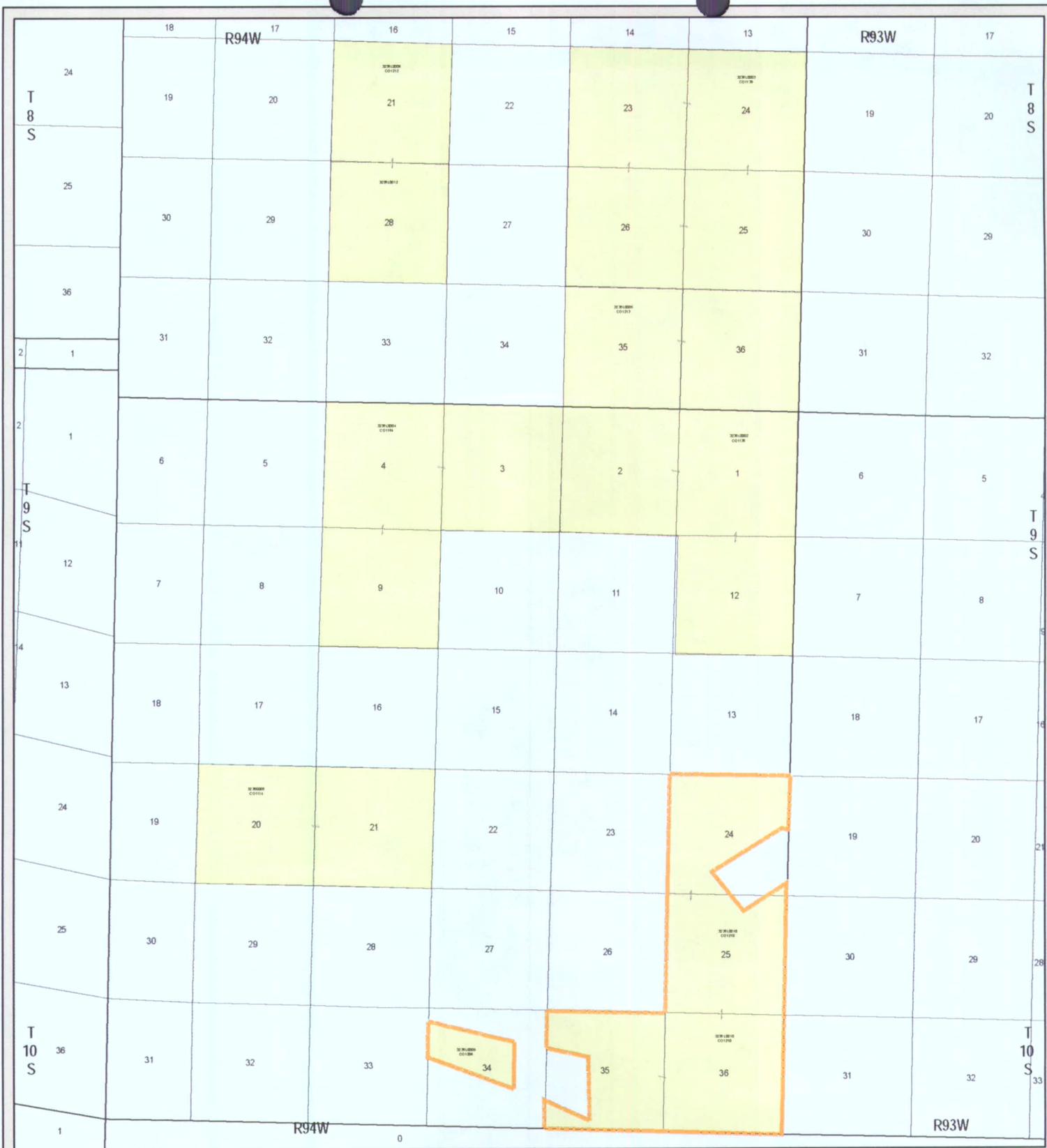


Exhibit No.1

Cause No. 386  
 Docket No. 0808-AW-23  
 Order No.

**PXP**  
 Plains Exploration & Production Company

HIGHTOWER FIELD  
 Mesa County, Colorado

**PXP Leases and  
 Application Area**

Author: R. Lang	Date: August 12, 2008
Drawn By:	Rev. Date:
Checked By: T. Henderson	Hightower_Lease_Doc_0808-AW-23.mxd

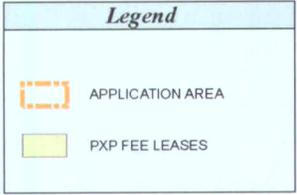
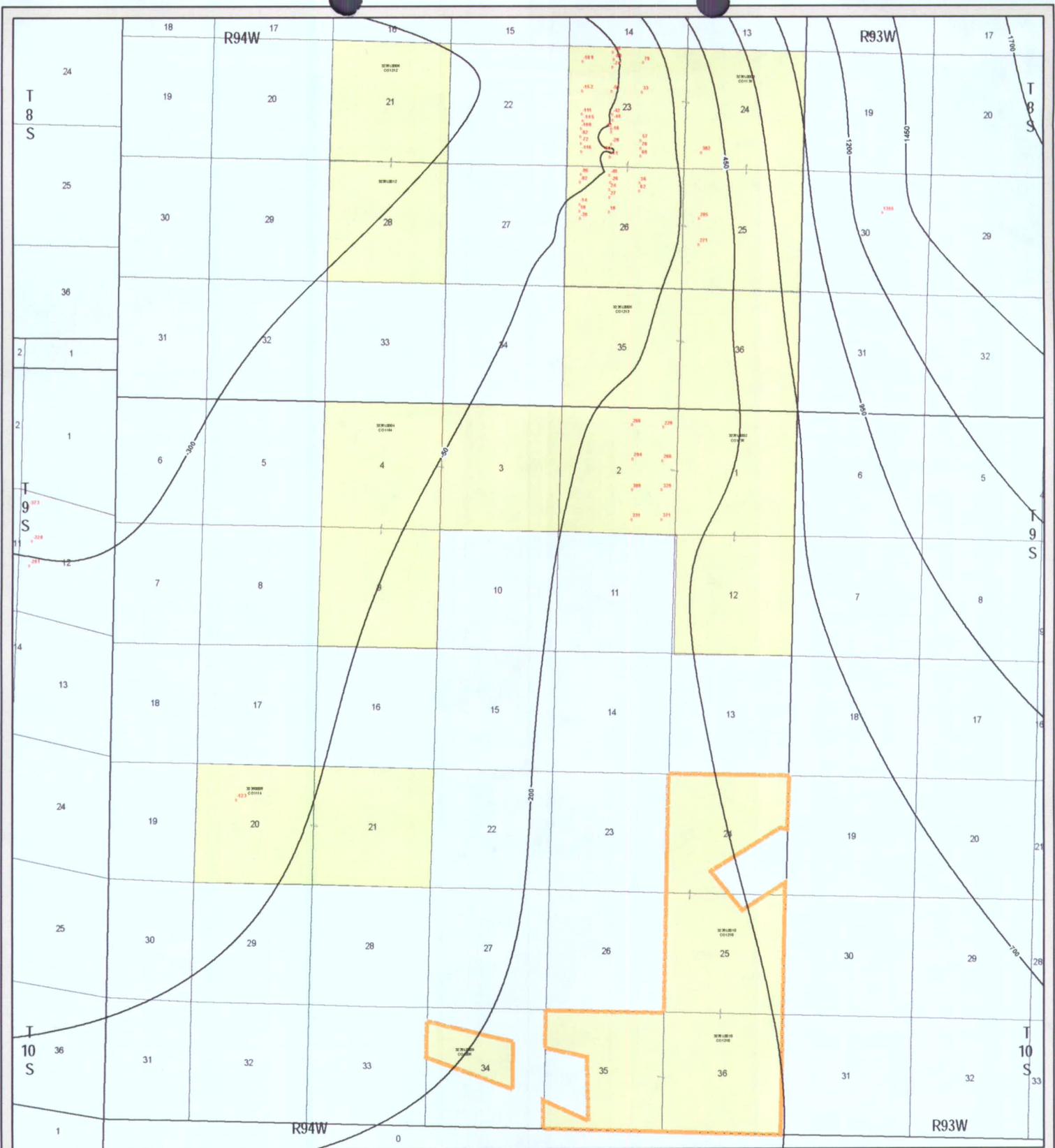


Exhibit No.2 Cause No. 386  
 Docket No. 0808-AW-23  
 Order No.

**PXP**  
 Plains Exploration & Production Company  
**HIGHTOWER FIELD**  
 Mesa County, Colorado  
**Top Rollins Fm. Structure**  
 C.I. 250'

Author: R. Lang	Date: August 12, 2008
Drawn By:	Rev. Date:
Checked By: T. Handerson	HighTower_Top_Rollins_0808_AW-23.mxd

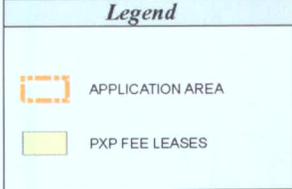
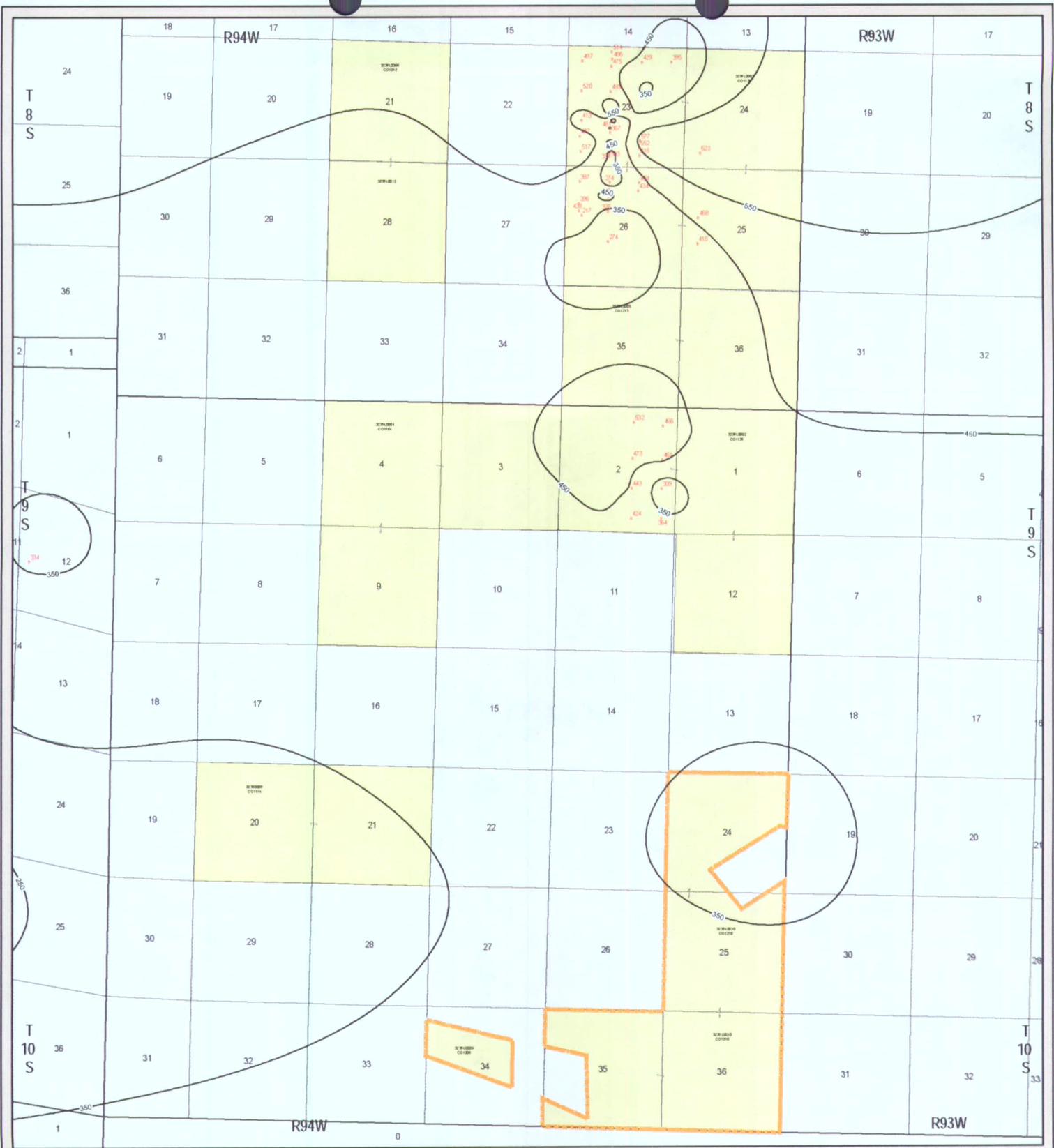


Exhibit No.3 Cause No. 396  
 Docket No. 0808-AW-23  
 Order No.

**PXP**  
 Plains Exploration & Production Company

**HIGHTOWER FIELD**  
 Mesa County, Colorado  
**Williams Fork Fm.**  
**Basin Centered Gas System: Isopach**  
 6% Density Porosity C.I. 100'

Author: R. Lang	Date: August 12, 2008
Drawn By:	No. Date:
Checked By: T. Henderson	HighTower_Williams_Fork_0808-AW-23.mxd

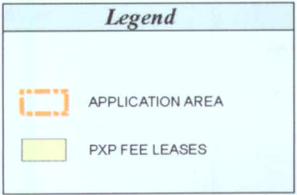
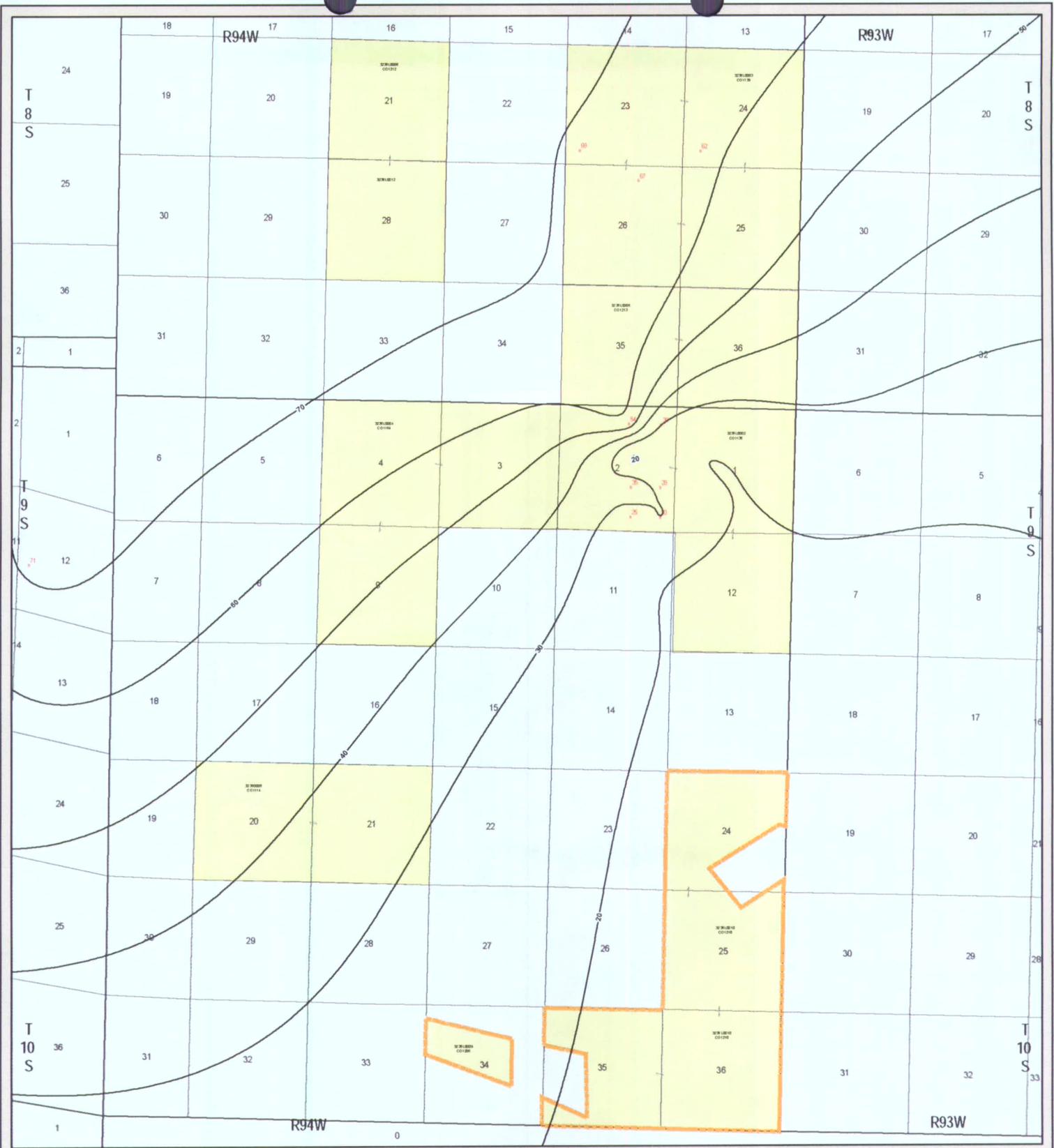


Exhibit No.4 Cause No. 386  
Docket No. 0808-AW-23  
Order No.

**PXP**  
Plain Exploration & Production Company

**HIGHTOWER FIELD**  
Mesa County, Colorado  
**Cozette**  
**Net Sand Isopach**  
6% Density Porosity C.I. 10'

Author: R. Lang	Date: August 12, 2008
Drawn By:	Rev. Date:
Revised By: T. Henderson	HighTower_Cozette_0808-AW-23.mxd

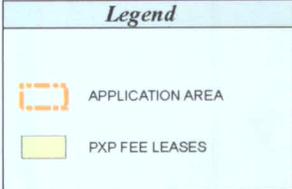
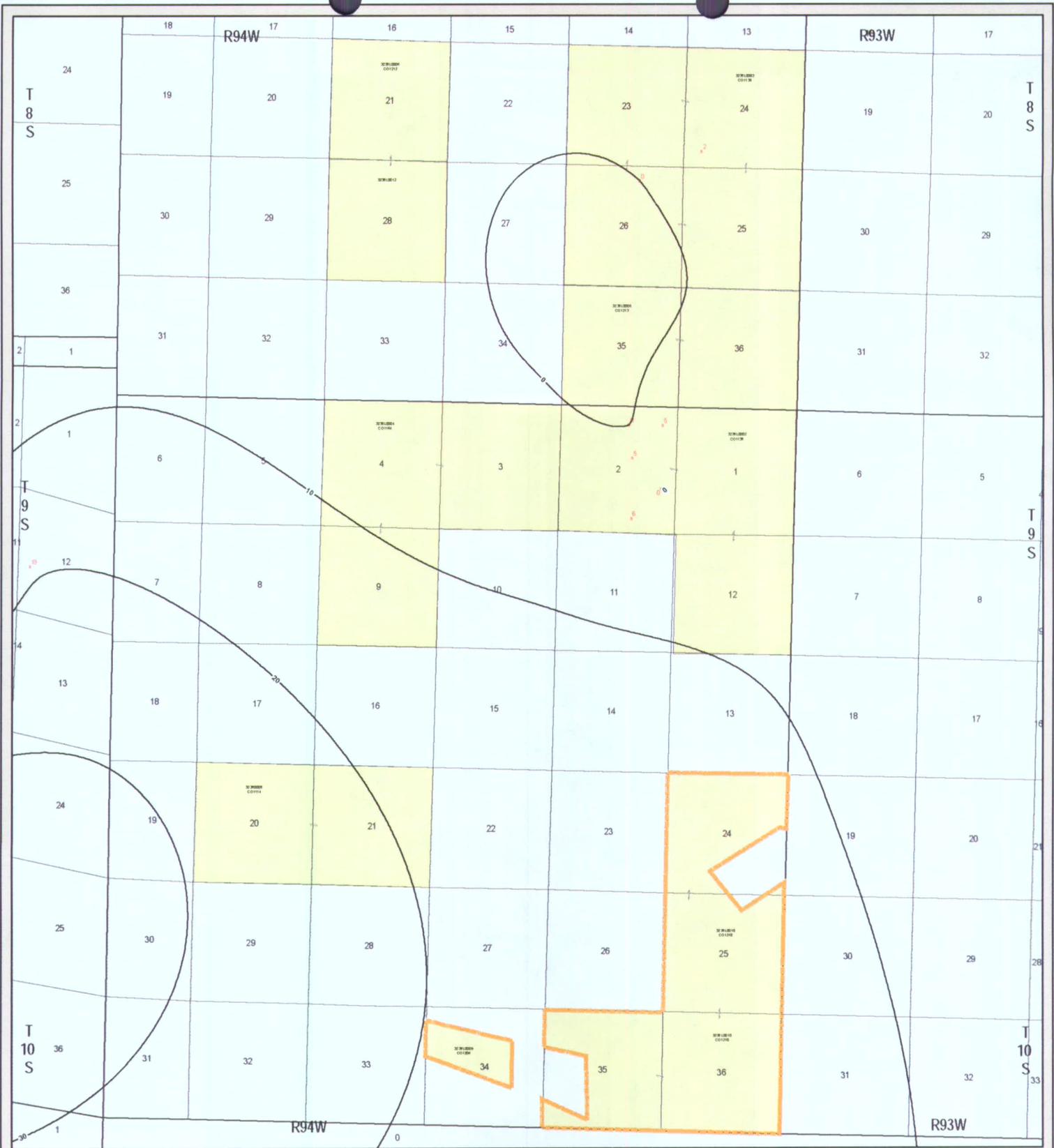


Exhibit No.5 Cause No. 386  
 Docket No. 0808-AW-23  
 Order No.

**PXP**  
 Plains Exploration & Production Company

**HIGHTOWER FIELD**  
 Mesa County, Colorado

**Corcoran**  
**Net Sand Isopach**

6% Density Porosity C.I. 10'

Author: R. Lang	Date: August 12, 2000
Drawn By:	File Name:
Checked By: T. Henderson	HighTower_Corcoran.D000-AW-23.mxd

EXHIBIT No. 6

