



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

IN THE MATTER OF THE PROMULGATION AND)	CAUSE NOS. 232 and 1
ESTABLISHMENT OF FIELD RULES TO GOVERN)	
OPERATIONS IN THE WATTENBERG GAS-SPACED)	ORDER NO. 232-103 and
AREA, ADAMS COUNTY, COLORADO)	1-168

REPORT OF THE COMMISSION

This cause came on for hearing before the Commission at 8:30 a.m. on November 15, 1993 and on January 19, 1994 in Room 318, Centennial Building, 1313 Sherman Street, Denver, Colorado on the application of K.P. Kauffman Company, Inc. for an order to establish 80-acre drilling and spacing units in Section 6, Township 1 South, Range 64 West, 6th P.M., for production from the "D" and "J" Sand Formations, to designate the Tippet No. 6-2 Well in the SE1/4 NE1/4 of said Section 6 as a permitted exception location for the 80-acre drilling and spacing unit consisting of the E1/2 NE1/4, and to allow the completion or recompletion of all wells drilled in said Section 6 for production of oil and associated hydrocarbons from the "D" and "J" Sand Formations, either by multiple completion or downhole commingling within the wellbore without segregation.

FINDINGS

The Commission finds as follows:

1. K.P. Kauffman Company, Inc., as applicant herein, is an interested party in the subject matter of the above referenced hearing.
2. Due notice of the time, place and purpose of the hearing has been given in all respects as required by law.
3. The Commission has jurisdiction over the subject matter embraced in said Notice, and of the parties interested therein, and jurisdiction to promulgate the hereinafter prescribed order.
4. In Cause No. 232, the Commission established 320-acre drilling and spacing units for the production of gas from the "J" Sand Formation in the Wattenberg Field with one well allowed for each unit to be located in the NE1/4 and SW1/4 and no closer than 990 feet to the boundaries of the quarter section. On August 21, 1979, the Commission issued Order No. 232-20 which allowed a second well to be drilled on each 320-acre unit, including Section 6, Township 1 South, Range 64 West, 6th P.M.
5. Rule 316. of the Rules and Regulations of the Colorado Oil and Gas Conservation Commission requires that wells drilled to a depth of 2500 feet or deeper be located no closer than 600 feet from any lease line, and not less than 1,200 feet from any other producible or drilling oil or gas well drilling to the same common source of supply, unless authorized by an order of the Commission or unless waivers are obtained from those parties who will be affected by the exception location. The "D" Sand Formation falls under the provisions of Rule 316.
6. Rule 320 of the Rules and Regulations of the Colorado Oil and Gas Conservation Commission requires that an application be submitted for approval for the multiple zone completion or commingling in one well bore.
7. At the time of the administrative hearing on November 11, 1993, it came to the Hearing Officer's attention that under Rule 119 of the Rules and Regulations of the Colorado Oil and Gas Conservation Commission notice of hearing was not given to twenty small interest owners within the application lands. The Commission allowed the Hearing Officer to present the matter, make a recommendation, and made a preliminary ruling to approve the application contingent upon giving notice to the above-described interested parties. The hearing was then continued to the December hearing so that the parties could be identified and proper notice could be given. Notice was not given in time for the December hearing and the matter was continued to the January 1994 hearing so that notice could be given to the parties who had not originally received notice.
8. The Tippet No. 6-2 Well has been drilled and completed in the SE1/4 NE1/4 of said Section 6 and should be designated as a permitted exception location for the 80-acre drilling and spacing unit consisting of the E1/2 NE1/4.

9. Based on the facts stated in the application, having been heard by the Hearing Officer on November 11, 1993, who recommended approval, having given notice of hearing to the twenty small interest owners who were not originally noticed, having continued the matter to the December and then the January hearing, and having received no protests, the Commission should enter an order approving the application.

ORDER

NOW, THEREFORE, IT IS ORDERED that, the Oil and Gas Conservation Commission enter an order to establish 80-acre drilling and spacing units in Section 6, Township 1 South, Range 64 West, 6th P.M., for production from the "D" and "J" Sand Formations, and allow the completion or recompletion of all wells drilled in said Section 6 for production of oil and associated hydrocarbons from the "D" and "J" Sand Formations, either by multiple completion or downhole commingling within the wellbore without segregation.

IT IS FURTHER ORDERED that, the Tippet No. 6-2 Well located in the SE1/4 NE1/4 of said Section 6 be designated as a permitted exception location for the 80-acre drilling and spacing unit consisting of the E1/2 NE1/4.

IT IS FURTHER ORDERED, that the provisions contained in the above order shall become effective forthwith.

IT IS FURTHER ORDERED, that the Commission expressly reserves its right, after notice and hearing, to alter, amend or repeal any and/or all of the above orders.

ENTERED this - 4th day of February, 1994, as of January 19, 1994.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By Patricia C. Beaver
Patricia C. Beaver, Secretary

Dated at Suite 380
1580 Logan Street
Denver, Colorado 80203
February 2, 1994