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GAS CONSERVATION COMMISSION

STATE OF COLORADO

ORIGINAL

REPORTER'S PARTIAL TRANSCRIPT
November 15, 1993
Cause No. 1, Docket No. 11-5-14
Larimer County

RECEIVED
MAY 11 1994
COLORADO OIL & GAS CONSERVATION COMMISSION

PURSUANT TO NOTICE to all parties in
interest, the above-entitled matter came on for hearing
before the Colorado Oil and Gas Conservation Commission, at
1313 Sherman Street, Room 318, Denver, Colorado, on Monday,
November 15, 1993, at the approximate hour of 8:35 a.m., and
was reported by Paula S. Oden, Certified Shorthand Reporter
and Notary Public in and for the State of Colorado.

COMMISSIONERS PRESENT:

Truman Anderson (Chairman)
John Campbell
Mary Larson
Logan MacMillan



00725208

MIDYETT REPORTING SERVICE
(303) 424-2217

1 PROCEEDINGS

2 CHAIRMAN ANDERSON: Okay. All right.

3 This next matter on the agenda is Cause No. 1, Docket
4 No. 11-5-14 in Larimer County. And the applicant is
5 Karel Prochazka.

6 This is a request to designate the southwest
7 quarter of Section 28, Township 4 North, Range 69 West as a
8 high density area. This matter has been continued from the
9 May, July, and October hearings.

10 And the Prochazkas are here.

11 Please, why don't you come forward here.

12 MS. PROCHAZKA: This is Mr. Yinger, our
13 neighbor.

14 CHAIRMAN ANDERSON: So if you would,
15 introduce yourself for the record here.

16 MR. YINGER: I'm Dennis Yinger. I'm a
17 resident of the subdivision.

18 CHAIRMAN ANDERSON: And you are?

19 MS. PROCHAZKA: Mrs. Prochazka.

20 CHAIRMAN ANDERSON: Okay. As I indicated in
21 our conversation a few minutes ago, the commission needs to
22 know something about the location of the acreage, the size
23 of the acreage, the current use, and to the extent that you
24 have information for us to help us make a decision on the
25 density designation.

1 MR. YINGER: I can give you some general
2 information, and she can tell you on the rest.

3 The original parcel of land was 27 acres.
4 And that has been subdivided into seven residential lots;
5 six of which are either occupied currently by homes or homes
6 that are under construction. There's one lot that is not
7 sold yet at this point.

8 MS. PROCHAZKA: Right.

9 MR. YINGER: The lots range from--six of the
10 lots are about an average of 2 1/2 to 3 acres, and one lot
11 is about 8 acres. So--and then the rest of the land is
12 taken up by the access road and the cul de sac type area.

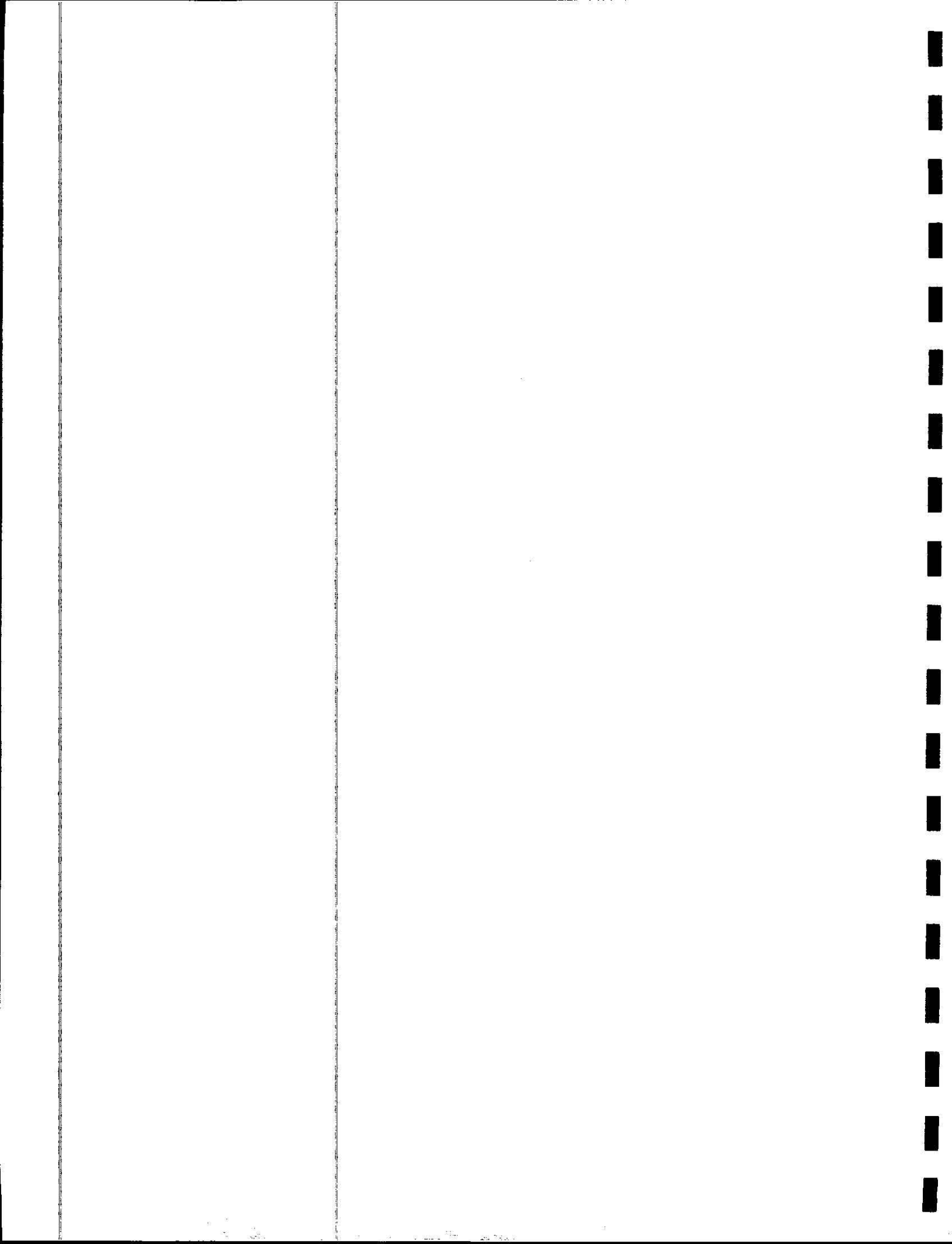
13 On the 8-acre plot is a pond of two acres?

14 MS. PROCHAZKA: Uh-huh. I would say.

15 MR. YINGER: And then some wetlands that
16 surround that pond area which is being maintained in its
17 natural state. But there are currently three--three
18 residents--four residents living there now. There's four
19 completed homes, two under construction, and the one--and
20 the one vacant lot.

21 And Stacia has some pictures of the houses
22 that are there.

23 MS. PROCHAZKA: I can give those to the
24 group right now. These are all landscapes and just--the
25 pictures are not very good.



1 (Ms. Prochazka handing photographs to the
2 commissioners.)

3 MR. YINGER: Is there any questions that
4 I can answer?

5 COMMISSIONER LARSON: Who took the pictures?

6 MS. PROCHAZKA: I did.

7 CHAIRMAN ANDERSON: So you're talking about
8 27 acres in the southwest quarter of Section 28.

9 MR. YINGER: Right.

10 MS. PROCHAZKA: Yes.

11 CHAIRMAN ANDERSON: Can you tell us--so
12 you're requesting a high-density designation for those 27
13 acres?

14 MS. PROCHAZKA: Yes.

15 CHAIRMAN ANDERSON: Do you know who owns the
16 minerals under those 27 acres and have they been notified of
17 this?

18 MS. PROCHAZKA: It was in last paper from
19 July. It's some company in Texas.

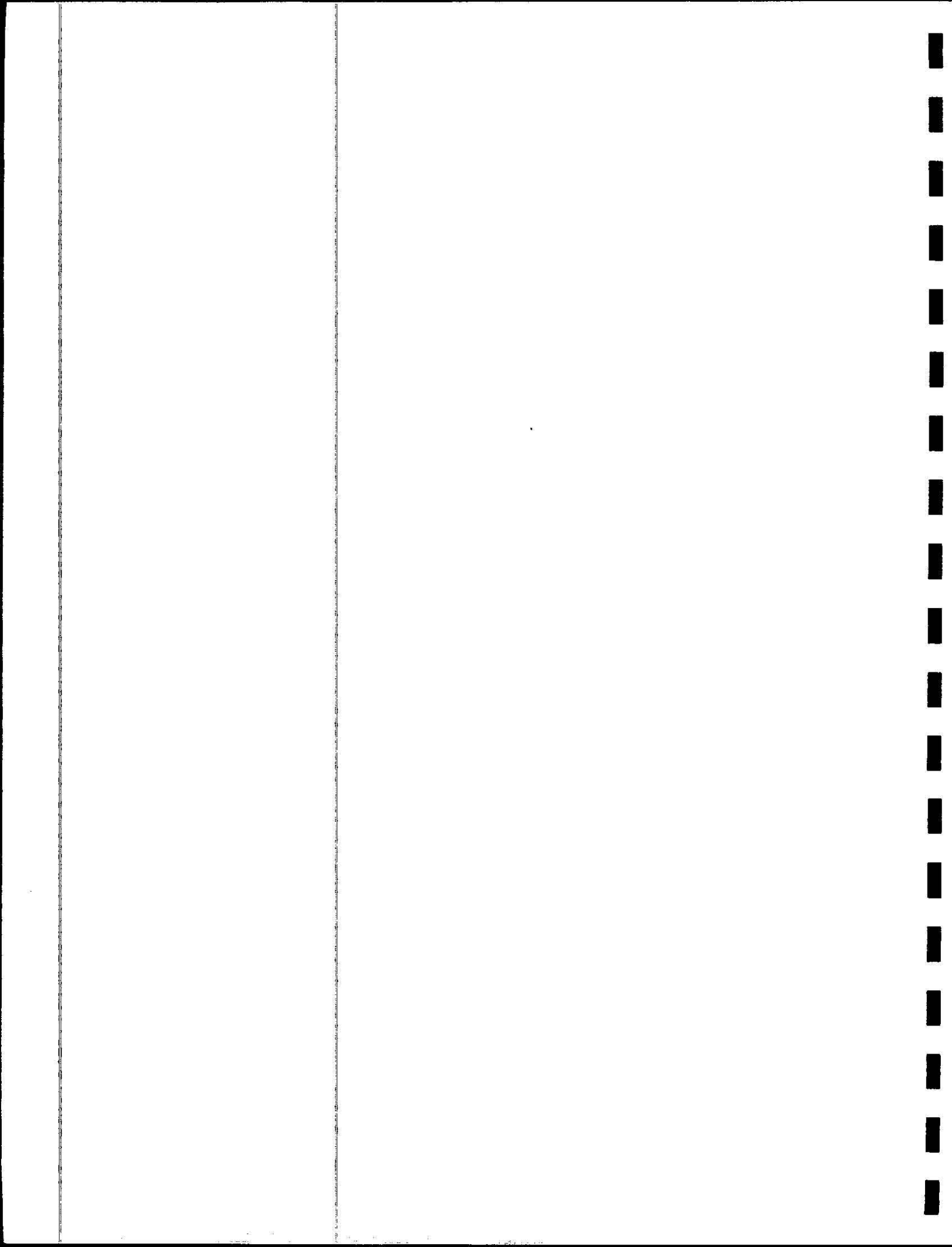
20 MS. BEAVER: Bright and Company.

21 CHAIRMAN ANDERSON: Bright and Company?

22 MS. PROCHAZKA: Bright and Company.

23 MS. BEAVER: Bright and Company. They're
24 out of San Antonio.

25 MS. PROCHAZKA: And they were notified,



1 and they didn't respond. And they were notified for the
2 July hearing.

3 CHAIRMAN ANDERSON: All right.

4 MS. BEAVER: Bright and Company has been
5 noticed. And we have received no protest or inquiries.
6 And we've had no contact with Bright and Company at this
7 point.

8 CHAIRMAN ANDERSON: But we--we think we
9 know that they're the ones who own the minerals under these
10 27 acres and that that's the only owners?

11 MS. BEAVER: That was the company that the
12 Prochazkas provided the oil and gas commission.

13 CHAIRMAN ANDERSON: And how do you--

14 MS. PROCHAZKA: It was information probably
15 my husband obtained from county. And he submitted
16 application to you.

17 CHAIRMAN ANDERSON: Okay.

18 COMMISSIONER CAMPBELL: Again, how many
19 lots?

20 MS. PROCHAZKA: Seven.

21 MR. YINGER: There are seven total lots.

22 COMMISSIONER CAMPBELL: And six are
23 already--

24 MS. PROCHAZKA: Yes.

25 MR. YINGER: Six are either occupied or

1 under construction.

2 COMMISSIONER LARSON: Is this large one with
3 the fence the eight acres?

4 MR. YINGER: Yes.

5 MS. PROCHAZKA: Yes.

6 CHAIRMAN ANDERSON: All right.

7 COMMISSIONER LARSON: And this is a swimming
8 pool, not a two-acre pond, right?

9 MS. PROCHAZKA: Right.

10 CHAIRMAN ANDERSON: All right. Well--

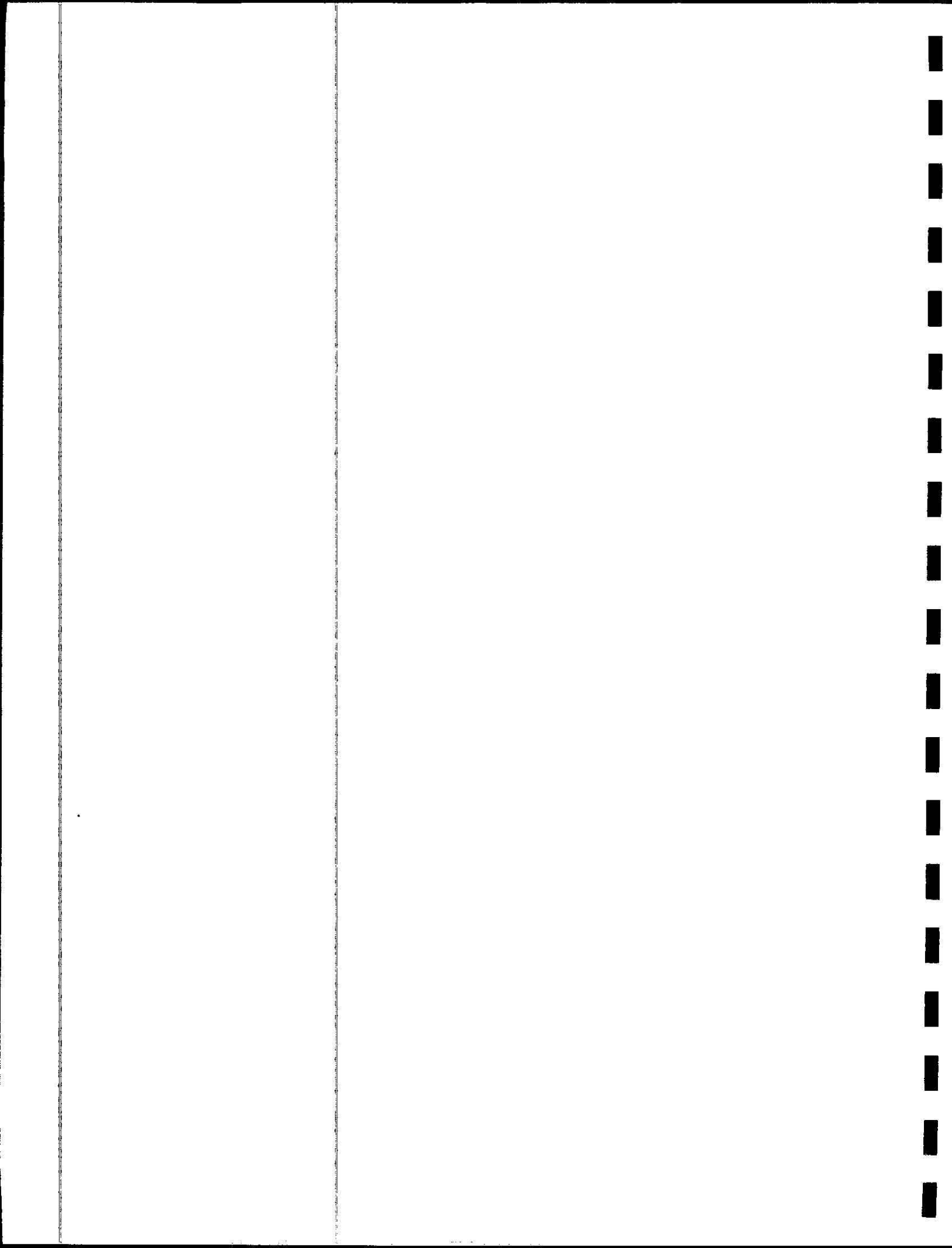
11 COMMISSIONER LARSON: What's the--did we--I
12 know we talked about this before, but I--I've forgotten.

13 Around that area, what's the surrounding
14 land use? Are there other subdivisions? Is it farm land?

15 Not other subdivision, but other houses and
16 some small farms.

17 MR. YINGER: Well, there's an area to
18 the north of this one that--it is a subdivision on about
19 five-acre plots. There's one to the east and slightly to
20 the south, but they're probably on acre to acre and a half
21 plots. And then there's some just across the street from
22 us that are on five-acre--three to five-acre plots.

23 So the area around this, anything that's
24 being built is somewhere between the 2 1/2 to 5-acre size
25 range now. But that's what surrounds us. And then to the



1 west, there's more farm land.

2 CHAIRMAN ANDERSON: Do you know--are there
3 any oil and gas wells nearby?

4 MR. YINGER: Probably the one I'm most
5 familiar with would be about four to five miles. And that
6 would be to the northwest. And that would be County Road 23
7 and maybe Carter Lake Road or something like that, up in
8 that area. That's the only one that I can think of offhand.

9 COMMISSIONER LARSON: So did we note what
10 the current spacing is? Are there any spacing orders
11 covering this area, Trish?

12 Tricia, do we have any current spacing
13 orders in this area?

14 MS. BEAVER: I don't believe there are any
15 spacing orders.

16 COMMISSIONER MacMILLAN: Excuse me.

17 MS. BEAVER: Codell/Niobrara maybe.

18 COMMISSIONER MacMILLAN: This is a map that
19 the surface reclamation committee used as we looked at the
20 Wattenberg special area. And all the area that's colored
21 here in yellow is obviously covered by one of the orders.
22 And this area is colored. So it's spaced for something.

23 Well, I'm sorry. It's not necessarily
24 spaced for something, is it?

25 MS. BEAVER: It could just be--

1 COMMISSIONER MacMILLAN: It is the
2 Wattenberg special area. But the Wattenberg special area
3 was derived from orders.

4 MS. BEAVER: Orders. Right.

5 COMMISSIONER MacMILLAN: That's correct.

6 MS. BEAVER: Well, I know it's--it's too
7 far west for J. I would have to say it can be colored on
8 Niobrara, and I don't believe with Sussex or Shannon.

9 COMMISSIONER MacMILLAN: Just south of the
10 Berthoud field. But I'm not sure that this is legitimate
11 evidence that you all want to consider.

12 This is a map that had never been introduced
13 other than to this reclamation committee. It's something
14 that I kept around because I thought we might hear something
15 about the Loveland field. I'm more than happy to pass it
16 down if you think it's appropriate.

17 CHAIRMAN ANDERSON: No. I think we were
18 just interested in what, if any, current activity there was
19 and what spacing there might be. And this is helpful.

20 COMMISSIONER LARSON: Well, I think it
21 should--it should also be noted, it looks like there are
22 pictures of four--of four different houses that you referred
23 to earlier.

24 MS. PROCHAZKA: Yes. But one under
25 construction.

1 COMMISSIONER CAMPBELL: Average size of the
2 lots is? The lots themselves?

3 MR. YINGER: Two and a half to three acres
4 for the six--six of the seven.

5 COMMISSIONER CAMPBELL: I remember that from
6 before.

7 COMMISSIONER LARSON: I think it meets the
8 criteria that we have looked at in the past.

9 CHAIRMAN ANDERSON: Yeah. I think it's
10 pretty straightforward. It's mostly built up on the 27
11 acres.

12 COMMISSIONER LARSON: And the eight-acre
13 lot which is about twice as big or more than we normally
14 consider, I think, is--warrants being part of the
15 designation because there is a very large house and very
16 nice fencing built on it already. Plus--plus, a lot of that
17 lot--lot is a two-acre pond and wetlands, so--

18 CHAIRMAN ANDERSON: Okay.

19 COMMISSIONER CAMPBELL: I move we approve.

20 CHAIRMAN ANDERSON: All right. It's been
21 moved that the high-density designation be approved for--do
22 we have a description that's clear?

23 COMMISSIONER LARSON: Kathy's Pond.
24 The southwest quarter.

25 CHAIRMAN ANDERSON: It's just the southwest

1 quarter?

2 COMMISSIONER LARSON: That was the--

3 CHAIRMAN ANDERSON: Okay.

4 COMMISSIONER LARSON: That was the
5 description.

6 MS. BEAVER: Along with the subdivision
7 called Kathy's Ponds.

8 COMMISSIONER LARSON: Does the subdivision
9 take up the whole southwest quarter?

10 MS. BEAVER: It must not.

11 COMMISSIONER LARSON: Actually, it only
12 gives a designation to the subdivision and not the entire
13 southwest quarter.

14 CHAIRMAN ANDERSON: If this is the southwest
15 quarter, it's more than the 27 acres.

16 MS. BEAVER: It just says here, a portion
17 of the southwest quarter of the southwest quarter of
18 Section 28.

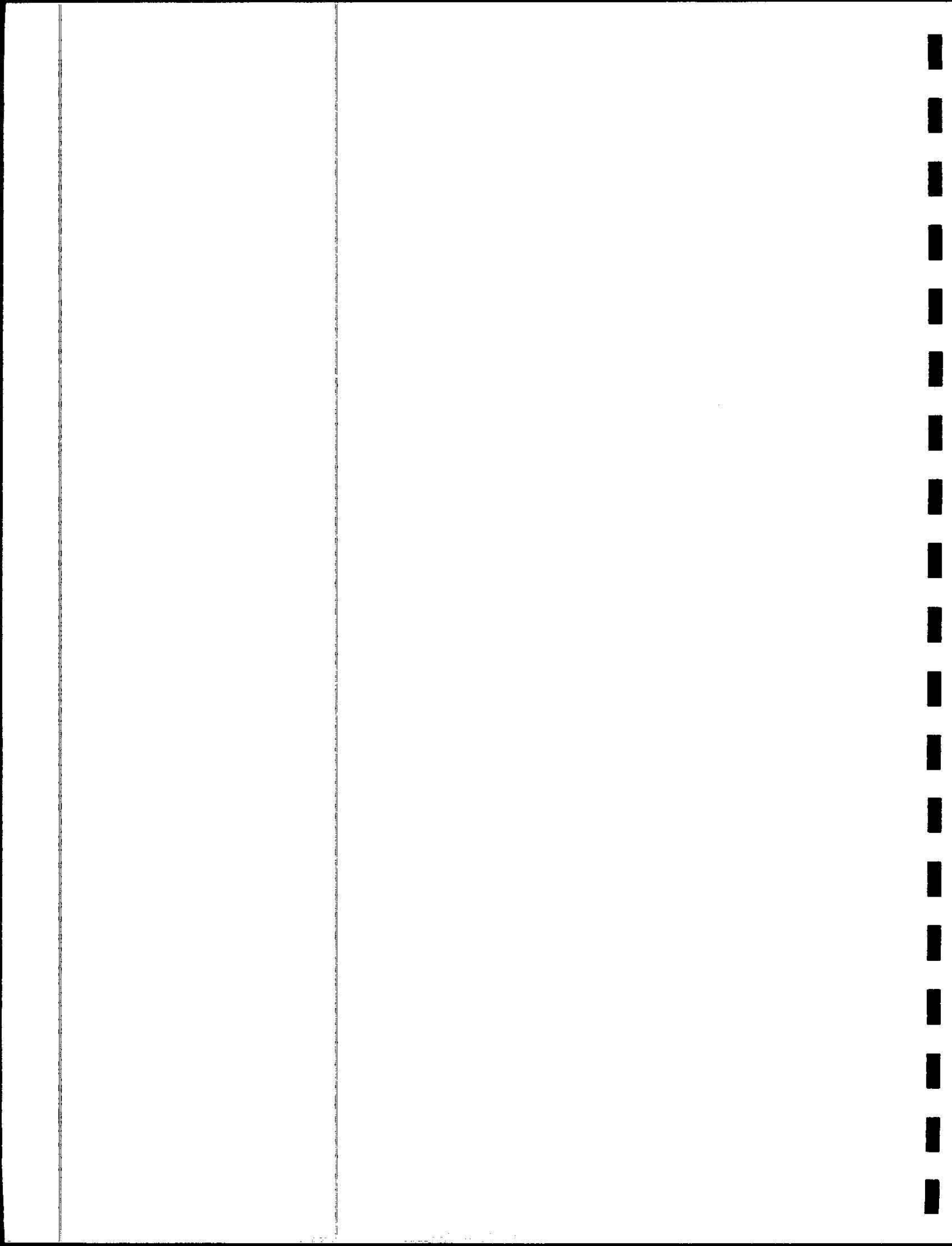
19 I guess if I stare at this long enough,
20 I can make out all the rest of what that is, but--

21 CHAIRMAN ANDERSON: Well, I think the
22 intention is to designate the 27 acres--

23 MS. BEAVER: Right.

24 COMMISSIONER CAMPBELL: Correct.

25 CHAIRMAN ANDERSON: --and not 160 acres.



1 COMMISSIONER LARSON: Right.

2 CHAIRMAN ANDERSON: Okay. All right.

3 I think there was a motion from you. Was it seconded?

4 COMMISSIONER LARSON: Second.

5 CHAIRMAN ANDERSON: All right. So it's been
6 moved and seconded that the 27 acres associated with the
7 area provided for be designated as high density.

8 All those in favor indicate by saying "aye."

9 Those opposed, same sign.

10 (The motion carried unanimously.)

11 CHAIRMAN ANDERSON: The application is
12 approved. Thank you for your persistence.

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REPORTER'S CERTIFICATE

I, Paula S. Oden, Certified Shorthand Reporter and Notary Public in and for the State of Colorado, duly appointed to take the within hearing, certify that the hearing was taken in shorthand by me at the time and place hereinabove set forth and was thereafter reduced to typewritten form by the use of computer-aided transcription under my direct supervision; that the same is a full, true, and correct transcription of my shorthand notes then and there taken.

DATED this 15th day of March, 1994.



MIDYETT REPORTING SERVICE
Paula S. Oden, RPR, CSR
6964 Owens Street
Arvada, Colorado 80004
(303) 424-2217



Continued

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

3
4 IN THE MATTER OF THE REQUEST FOR A) CAUSE NO. 1
5 HIGH DENSITY DESIGNATION IN) Docket 10-5-8
6 LARIMER COUNTY, COLORADO)

ORIGINAL

7
8 PURSUANT TO NOTICE to all parties in
9 interest, the above-entitled matter came duly on for
10 hearing in the Centennial Building, 1313 Sherman
11 Street, Room 318, Denver, Colorado 80203, on Monday,
12 October 18, 1993.

13
14 BEFORE:
15 Chairman Truman Anderson
16 Commissioner John Campbell
17 Commissioner Mary Larson
18 Commissioner Logan MacMillan

19
20
21
22 Sue McCannon, Acting Director
23 Patricia Beaver, Technical Secretary

24
25

JANUARY

1 CHAIRMAN ANDERSON: All right. The
2 next matter on the agenda is Cause No. 1, Docket No.
3 10-5-8 in Larimer County. The applicant is Karel
4 Prochazka. This is a request to designate the
5 southwest quarter of Section 28, Township 4 North,
6 Range 69 West, as a high density area. This matter
7 was continued from the May and from the July
8 hearings. Are either of the Prochazkas here? I
9 don't see them.

10 MS. BEAVER: I have heard nothing from
11 them.

12 COMMISSIONER LARSON: Did they know
13 they were on the docket?

14 MS. BEAVER: Yes, they received notice
15 of hearing. Ms. Prochazka phoned me just after the
16 September hearing requesting that -- I indicated I
17 would send to her, as soon as we entered a high
18 density order, which, as you remember from September,
19 we heard it in August but couldn't enter it until
20 September. So, at the end of September, I sent to
21 her a copy of the high density order, along with the
22 information just briefly listed out that you had all
23 indicated you wanted to be added in a high density
24 application. Because, as you remember, part of the
25 reason we continued it from the July hearing was

1 because they didn't have a clear idea of how to
2 present their high density request. So, certainly,
3 by the 1st of October, she received all of the
4 information she had been seeking, including the
5 notice of today's hearing.

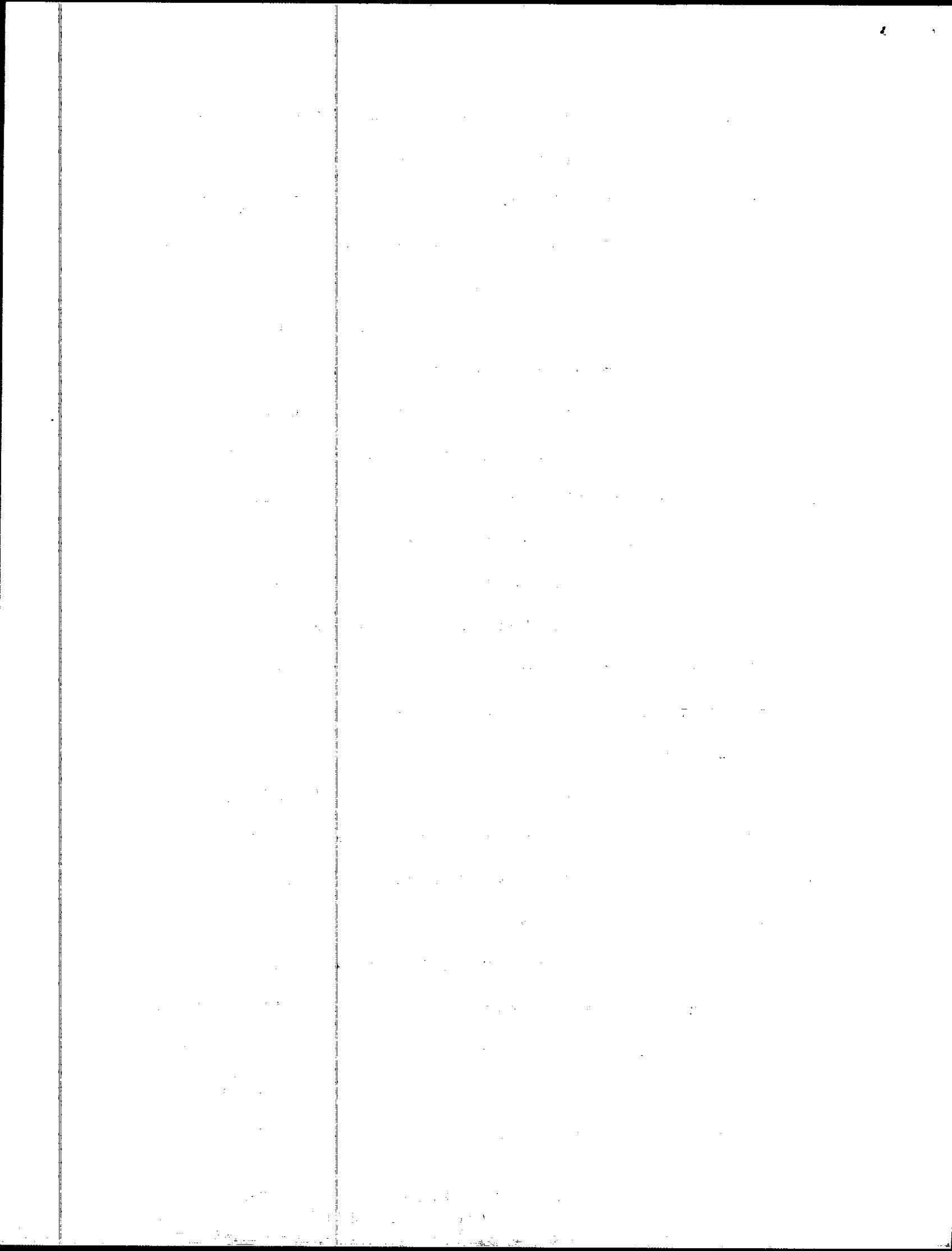
6 CHAIRMAN ANDERSON: Well, we can
7 either continue this one or deny it, I suppose, based
8 on the fact that they are not here to present it.

9 MS. BEAVER: Yeah. I don't know if,
10 after she got the information, they decided they
11 couldn't address those issues.

12 CHAIRMAN ANDERSON: I had the feeling,
13 based on comments that were made before, that they
14 thought it was like, if you -- just kind of
15 automatic, you sent in your application and you get
16 it somehow.

17 MS. BEAVER: Well, I think you are
18 right. I certainly would have hoped that, the July
19 hearing -- the information that you all gave here
20 indicated otherwise.

21 COMMISSIONER LARSON: I think we
22 should send her a letter telling her that we'll
23 continue it, but if she's not ready to present
24 evidence or respond in some substantive manner, by
25 next hearing, that way we're going to dismiss the



1 application.

2 CHAIRMAN ANDERSON: That's my
3 reaction. I think we don't want to torture people
4 with our process here, and we understand that they
5 have this -- the oil business is not what they do. I
6 think that's right. I think we should continue this,
7 but perhaps continue it to the next month and suggest
8 that they should appear with their case, and if not,
9 that it will be dismissed in November. And silence
10 will be, if we don't hear from them, we're going to
11 dismiss it.

12 MS. BEAVER: Okay.

13 COMMISSIONER LARSON: We need to hear,
14 actively hear from them what their plans are or it
15 ought to be dismissed.

16 MS. BEAVER: I'll give them a day to
17 respond by.

18 COMMISSIONER LARSON: Okay.

19 CHAIRMAN ANDERSON: Well, doesn't
20 somebody want to argue about something? We have all
21 of this time today. All right.

22 MS. McCANNON: I think we already had
23 our argument of the day.

24 CHAIRMAN ANDERSON: All right. I
25 think we told some people we're going to reconvene at

1 1 o'clock, talk about statewide rules, so, it looks
2 like we get a long lunch.

3 MS. McCANNON: What time is it?

4 11:15.

5 CHAIRMAN ANDERSON: We are going to go
6 into executive session to talk about -- there were
7 two matters. One was the Southern Ute suit and the
8 other was the payment-of-proceeds case. I forget the
9 name of it.

10 MS. WREND: Waltman.

11 COMMISSIONER CAMPBELL: I move we go
12 into executive session.

13 CHAIRMAN ANDERSON: Is there a
14 second?

15 (Whereupon the vote was called.)

16 CHAIRMAN ANDERSON: All right. We're
17 going to go into executive session. We will
18 reconvene here at 1:00.

19 (Recess.)

20 (Thereupon this portion of the
21 proceedings were concluded on Monday, October 18,
22 1993.)

23

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CERTIFICATE

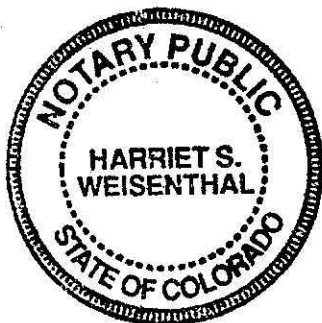
STATE OF COLORADO) ss
CITY AND COUNTY OF DENVER)

I, Harriet S. Weisenthal, Certified Shorthand Reporter and Notary Public for the City and County of Denver, State of Colorado, do hereby certify that the foregoing proceedings were taken in shorthand by me at 1313 Sherman Street, Denver, Colorado on the 18th day of October, 1993, and was reduced to computer-aided typewritten form under my supervision;

That the foregoing is a true transcript of the proceedings had; that I am neither attorney nor counsel, nor in any way connected with any attorney or counsel for any of the parties to said action or otherwise interested in the event;

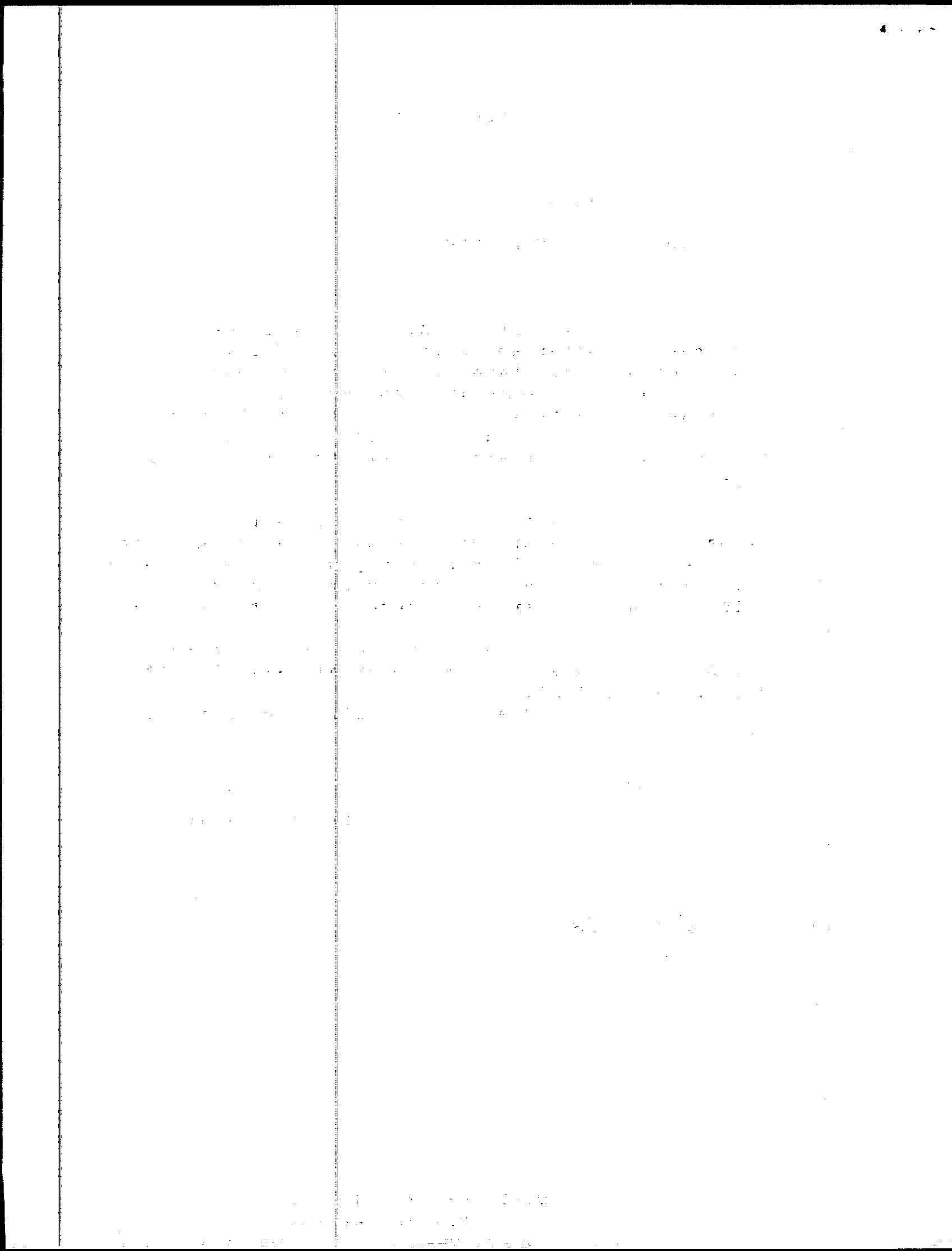
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 4th day of March, 1994.

My Commission expires October 15, 1997.



H. Weisenthal

Harriet S. Weisenthal





1-46

continued

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

ORIGINAL

IN THE MATTER OF THE REQUEST TO) CAUSE NO. 1
DESIGNATE A HIGH DENSITY AREA) Docket 7-5-15
IN LARIMER COUNTY, COLORADO)

PURSUANT TO NOTICE to all parties in
interest, the above-entitled matter came duly on for
hearing in the Centennial Building, 1313 Sherman
Street, Room 318, Denver, Colorado 80203, on Monday,
July 19, 1993.

RECEIVED

SEP 24 1993

COLO. OIL & GAS CONS. COMM.

BEFORE:

Chairman Truman Anderson

Commissioner John Campbell

Commissioner Mary Larson

Commissioner Logan MacMillan

Commissioner Rogers Johnson

Sue McCannon, Acting Director

Patricia Beaver, Technical Secretary

1 CHAIRMAN ANDERSON: Last matter on the
2 agenda is Cause No. 1, Docket No. 7-5-15, in Larimer
3 County. The applicant is Karel Prochazka.

4 MS. PROCHAZKA: Correct. I am his
5 wife.

6 CHAIRMAN ANDERSON: This is a request
7 to designate the southwest quarter of Section 28,
8 Township 4 North, Range 69 West, as a high density
9 area. It was continued from the May hearing. And we
10 need to develop some sense of how long this is going
11 to take to hear. Ms. Prochazka, you are here
12 representing --

13 MS. PROCHAZKA: Yeah. Mainly my
14 husband. He applied for it.

15 CHAIRMAN ANDERSON: Okay. And you are
16 going to present some evidence on what the commission
17 can look at on doing a designation?

18 MS. PROCHAZKA: Actually, I suppose
19 that is something that, ultimately, you will have to
20 ask Mr. Prochazka. I don't know. I don't know.

21 CHAIRMAN ANDERSON: I see.

22 COMMISSIONER LARSON: Did you get any
23 materials?

24 MS. BEAVER: Do you have the file,
25 Julie? You want something? You are going to be a

1 subdivision.

2 MS. PROCHAZKA: We got approved from
3 Larimer County to build a small subdivision.

4 COMMISSIONER ANDERSON: All right.
5 So, what we have is an application, and you are here
6 to, on behalf of Dr. Prochazka. I think the concern
7 on the part of the commission is that this is a
8 relatively new procedure to the commission. We have
9 not, I don't think, ever designated an area as high
10 density before. We have at least one other
11 application on this subject coming up in the next
12 month or two.

13 MS. PROCHAZKA: Okay.

14 CHAIRMAN ANDERSON: And we normally
15 rely on the applicant to lead us through the statute
16 and the rules that enable us to grant the
17 application, look at evidence presented by the
18 applicant in making its determination as to whether
19 or not the application can be granted. And if -- I
20 understand why you might feel uncomfortable doing
21 that.

22 MS. PROCHAZKA: I feel very
23 uncomfortable.

24 CHAIRMAN ANDERSON: I am not sure,
25 absent that, that the commission can deal with it.

1 COMMISSIONER LARSON: Right. In other
2 words, we rely on the applicant to provide evidence
3 so that they meet the burden of proof, kind of.

4 MS. PROCHAZKA: But, evidence on what
5 do you need?

6 COMMISSIONER LARSON: Well, that's
7 what, probably, we should talk about, since the
8 regulations do not give any guidance as to the kind
9 of proof we need to see.

10 MS. PROCHAZKA: I don't know. The
11 question is, if he does --

12 CHAIRMAN ANDERSON: Well, what we have
13 is -- we don't have a rule. What we have is a order
14 of the commission, am I right? And it's --

15 MS. WREND: Actually, you do. In the
16 600 series.

17 COMMISSIONER LARSON: 603(b).

18 MS. WREND: There's a high density
19 spacing regulation. It doesn't give guidelines, but
20 since it is the health, safety and welfare
21 provisions, you would want to see some evidence that
22 the high density designation is necessary for the
23 protection of health, safety, or welfare.

24 CHAIRMAN ANDERSON: So the rule
25 says --

1 COMMISSIONER LARSON: The current rule
2 just says, any interested party may apply to the
3 commission, have any tract of land designated as a
4 high density area, and then it says what rules they
5 must comply with, once that designation is made. But
6 it does not set forth the basis on which the
7 designation should be made, or the criteria that we
8 should look at in making such a designation, and I
9 think we have to develop those ourselves so that the
10 applicants know what kind of evidence to present to
11 us, because there's no guidance at all within the
12 regulations or in the statute.

13 And my thoughts on it were, you look
14 at population density, you look at the amount of
15 structures, whether they are used for residential or
16 commercial, and how close they are to the proposed
17 drilling, and, you know, kind of land use type of --
18 population density, land use type of issues. Would
19 you have thoughts of anything else?

20 MS. WREND: I don't see any evidence,
21 any competent evidence that this is required for the
22 protection of health and safety or welfare.

23 COMMISSIONER LARSON: Noise levels,
24 you know, how the land is used. Whether it's
25 residential or --

1 MS. PROCHAZKA: On residential, yeah.

2 CHAIRMAN ANDERSON: Well, we're going
3 to, I think, unless the matter is settled, we're
4 going to hear a case on this between the City of
5 Broomfield, and protested by one of the most active
6 operators in the area. It's likely -- those people
7 are likely to give some thought as to how this ought
8 to be framed and argued. That might help the
9 Prochazkas.

10 COMMISSIONER LARSON: If there's any
11 guidance in the regulation, I think we should be
12 thinking about it too.

13 COMMISSIONER CAMPBELL: Are there
14 houses on these lots yet?

15 MS. PROCHAZKA: Not yet. We're
16 building our own, and we got some lots under
17 contract?

18 COMMISSIONER CAMPBELL: Which lot?

19 MS. PROCHAZKA: I believe it's Lot No.
20 5.

21 COMMISSIONER LARSON: Where can wells
22 be drilled in relation to this lot?

23 MS. PROCHAZKA: Here's the original
24 house, approximately.

25 COMMISSIONER LARSON: Are minerals

1 severed? Where can -- where are there leases? Where
2 -- are you anticipating that wells are going to go in
3 anywhere?

4 MS. PROCHAZKA: Probably. And you
5 need to build in roads. Each lot. Separated.

6 COMMISSIONER LARSON: Does staff have
7 anything?

8 COMMISSIONER CAMPBELL: We don't even
9 know if it's under lease.

10 MS. BEAVER: The one thing I do know,
11 there have been no applications for a very long time
12 in this area for drilling. That's --

13 COMMISSIONER LARSON: There is no
14 reason why there couldn't be.

15 MS. BEAVER: Not that I am aware of.
16 If someone has a lease for the minerals.

17 COMMISSIONER JOHNSON: How many acres
18 are involved in Cathy's Pond?

19 MS. PROCHAZKA: 27 acres, more or
20 less.

21 COMMISSIONER JOHNSON: 27.

22 MS. PROCHAZKA: 26 point something.

23 CHAIRMAN ANDERSON: I think it's going
24 to be hard for us to deal with this application in
25 the form that it is, which isn't to say that we're

1 hostile to it, it's just that it's relatively new
2 ground for us, and we're reluctant, till they have
3 better evidence and till we provide more guidance the
4 other way, as to what the kind of the evidence they
5 want to see -- it doesn't sound to me like you are in
6 imminent danger of anything unhappy happening, if we
7 were to continue this for a while.

8 COMMISSIONER LARSON: While we develop
9 the criteria?

10 COMMISSIONER ANDERSON: Yes.

11 COMMISSIONER LARSON: Do you have any
12 indication that someone wants to drill a well in the
13 near future?

14 MS. PROCHAZKA: I don't think so.

15 COMMISSIONER LARSON: Okay.

16 MS. PROCHAZKA: Probably will not be
17 allowed by this water commissioner either. They will
18 be dependent on water from city of Berthoud.

19 COMMISSIONER ANDERSON: You realize,
20 even if we designate this as high density, they can
21 still drill it.

22 MS. PROCHAZKA: Yeah.

23 COMMISSIONER CAMPBELL: We can't stop
24 that. It just changes the spacing.

25 MS. PROCHAZKA: They would have to get

1 approval from this water commissioner, right, or they
2 don't get it?

3 COMMISSIONER CAMPBELL: Not if they
4 don't own the mineral rights. All that does is keep
5 the drill rigs away from houses and people.

6 MS. PROCHAZKA: Actually, you know, we
7 have got some covenants, very strict covenants, and,
8 wouldn't be allowed to do -- that doesn't cover it?

9 COMMISSIONER CAMPBELL: Couldn't stop
10 it.

11 MS. PROCHAZKA: Doesn't cover it; I
12 see.

13 COMMISSIONER CAMPBELL: No.

14 MS. PROCHAZKA: It should be
15 stricter. Residential is protected. Part is
16 wetlands, close to pond which is existing. For such
17 people, they would enjoy that. There's a little
18 pond, wetlands, so it's already protected.

19 MS. BEAVER: That's in Lot 6?

20 MS. PROCHAZKA: Yes.

21 MS. BEAVER: Logan, in Lot 6, which is
22 7.8 acres, it's been designated by the county as a
23 wetlands wildlife preserve. And there's a pond,
24 irrigation ditch managed by the Corps of Engineers..

25 COMMISSIONER LARSON: Under our

1 current rules, what would happen if they wanted to
2 drill in the middle of that?

3 MS. BEAVER: Well, I don't know,
4 really, know the answer to that. I mean, I think we
5 would process the permit like we normally do, and I
6 think it's incumbent upon the operator to talk to the
7 Corps of Engineers, see what their requirements are.

8 COMMISSIONER LARSON: Incumbent
9 meaning there's no requirement. You just hope that
10 they would.

11 MS. BEAVER: We don't have the
12 requirement in our regulations, but I think that --.

13 COMMISSIONER LARSON: Are you saying
14 that this would trigger some 404 permit process with
15 the Corps of Engineers?

16 MS. BEAVER: I would think so.

17 COMMISSIONER LARSON: We don't know
18 that for sure.

19 MS. BEAVER: The only other instance I
20 am aware of, in drilling with wetlands area, one
21 company that I'm aware of has talked with the Corps
22 of Engineers and moved the well. So --

23 COMMISSIONER LARSON: Out of the
24 wetlands.

25 MS. BEAVER: Uh-hum.

1 COMMISSIONER LARSON: Probably because
2 they weren't -- didn't want to get a 404.

3 MS. PROCHAZKA: Actually, this
4 particular No. 6, we are building for ourselves.

5 MS. BEAVER: The application does show
6 that Brighton Company, out of San Antonio, is the
7 lessee, but I don't know -- do you know if that is
8 the -- if Brighton Company is the lessee for the
9 entire subdivision?

10 MS. PROCHAZKA: I don't know. I don't
11 know.

12 MS. BEAVER: I guess I would just have
13 to say Brighton Company did receive notice of
14 hearing, and we didn't hear anything from them.

15 CHAIRMAN ANDERSON: I think the
16 commission is new in this area. I don't believe we
17 have heard anything from you that would indicate
18 that, if we were to continue this for a while, while
19 we work on developing clearer standards for what we
20 hear -- you have the opportunity, therefore, to put
21 together the information we are going to need, so I
22 would suggest to you that it might be a good idea to
23 continue this, perhaps, 90 days, or something on that
24 order, to give us sometime to get our act together
25 while you do the same thing.

1 MS. PROCHAZKA: Okay. I will try.

2 COMMISSIONER LARSON: We can contact
3 you and tell you what kind of information we need.

4 MS. PROCHAZKA: What you recommend,
5 you really need to direct us.

6 COMMISSIONER LARSON: Are you
7 comfortable with having it continued for that period
8 of time?

9 MS. PROCHAZKA: I don't have another
10 option.

11 COMMISSIONER CAMPBELL: That's true.

12 COMMISSIONER ANDERSON: But,
13 ultimately, that may be true. The reason we don't
14 want -- we don't want you to be in a position of
15 having something happen that you were trying to
16 prevent because of a delay in the process.

17 COMMISSIONER LARSON: We can watch
18 APDs, when they come in, if anything comes in for
19 that area, we will contact you immediately.

20 CHAIRMAN ANDERSON: If during the
21 90-day period, something occurs that you feel needs
22 to be dealt with, please tell us.

23 MS. PROCHAZKA: Okay. Thanks.

24 COMMISSIONER JOHNSON: May I ask what
25 the adjoining lands --

1 MS. PROCHAZKA: I am sorry.

2 COMMISSIONER JOHNSON: Land use, the
3 adjoining lands, the lands to your north and east and
4 west.

5 MS. PROCHAZKA: Actually, they are
6 private residences only.

7 CHAIRMAN ANDERSON: It's residential.

8 COMMISSIONER JOHNSON: About the same
9 lot sizes? Couple of acres.

10 MS. PROCHAZKA: I would say a little
11 bit bigger on the north side, west side and smaller
12 on the east. There is contour roads on the south,
13 so, approximately, probably, the same.

14 COMMISSIONER ANDERSON: All right.

15 MS. BEAVER: I just might point out to
16 Ms. Prochazka, we do have orders that the commission
17 issued about two years ago, maybe, it's Order No.
18 467-8, and in that order, that was the commission's
19 first attempt at designating some lands as high
20 density. And whether that's going to be the same
21 type of criteria that you are looking at -- but what
22 that does is that it gives some distances that wells
23 could be placed from residences that's different from
24 our general rules and regulations, and it also
25 imposes some additional requirements for noise and

1 aesthetic kind of things. It might be helpful for
2 you to take a look at that when we're --

3 MS. PROCHAZKA: Is there a way of
4 getting that to us? Send a copy to us?

5 MS. BEAVER: I thought I had sent a
6 copy to you, but if you don't have it --

7 MS. PROCHAZKA: I don't have it.

8 MS. BEAVER: -- we can send that to
9 you.

10 COMMISSIONER LARSON: Are these the
11 standards they have to meet after the designation has
12 been made? Does this describe the evidence that
13 needs to be provided in order for the designation to
14 be made?

15 MS. BEAVER: This is what, after
16 hearing testimony from -- about sizes of whatever
17 these things are called, I guess the subdivision area
18 lots, and seeing this little diagram that shows 2.5
19 platted acres, where wells could actually be located
20 within that, the order, and I think I gave you guys
21 copies of the order, probably for the May hearing.
22 And, anyway, after that kind of testimony, that's
23 when the commission decided, at least in that
24 particular instance, that the lots had to be 2.5
25 acres in size and wells had to be 350 feet from

1 occupied buildings; or that, for Township 1 South,
2 Range 68 West, based on information provided --
3 presented by one of the homeowners association.

4 COMMISSIONER LARSON: That's a
5 standard they have to meet, if the designation was
6 made.

7 MS. BEAVER: Well, I think that's the
8 question -- that's the standard that was determined
9 in that order. Whether that's going to be the
10 standard that's going to be used for the future
11 applications, I mean, I don't think that it is,
12 necessarily.

13 COMMISSIONER LARSON: The rules say,
14 now, it's 350 feet. There's no acreage requirement.

15 MS. BEAVER: But in the order which
16 was issued before the rule, they had the acreage
17 requirements, they had the distance, and then they
18 had some noise and aesthetic regulations.

19 COMMISSIONER ANDERSON: Okay. All
20 right. So, does that suit everybody here? We'll
21 continue this for 90 days until -- that will be
22 what? This is July.

23 MS. PROCHAZKA: October.

24 CHAIRMAN ANDERSON: October hearing.

25 MS. BEAVER: Your hope is that in that

1 time we will have some --

2 COMMISSIONER LARSON: Criteria for --
3 on which we decide whether to designate or not.

4 MS. BEAVER: What do we do if the
5 application from the city of Broomfield goes away,
6 temporarily?

7 COMMISSIONER LARSON: I still think we
8 need to address this, so I think these applications
9 are not going to stop. I think we need to inform
10 people, right now, what kind of evidence they need to
11 present to us, because the regulations are just
12 silent, completely.

13 MS. PROCHAZKA: It meets approval.

14 CHAIRMAN ANDERSON: It's asking a lot
15 for people to, under hostile circumstances, to help
16 plow new ground for us. They don't need to do that.
17 Unless there's objection, we will continue that until
18 the October hearing.

19 MS. PROCHAZKA: Okay. Thank you.

20 CHAIRMAN ANDERSON: Thank you.
21 Appreciate your coming. Do you want your map?

22 MS. BEAVER: That's part of the --

23 CHAIRMAN ANDERSON: Ours. Good. All
24 right. That finishes the agenda.

25 We discussed having an executive

1 session here; that we need to talk about and identify
2 purposes of -- the commission, prior to adjournment,
3 is going to have an executive session. We're going
4 to talk about the results of the performance audit
5 from the state auditor's office. There's some
6 personnel matters that I know we want to talk about.

7 Are there some other things you want
8 to add to the list of matters to deal with during the
9 executive session? You mentioned performance audit
10 and some personnel issues.

11 MS. WREND: Some attorney-client,
12 privileged attorney-client matters that were
13 mentioned earlier. Is that it?

14 COMMISSIONER CAMPBELL: I would like
15 to discuss the impending selection of the director.

16 CHAIRMAN ANDERSON: Those will be --

17 COMMISSIONER CAMPBELL: Because I have
18 some deep concerns.

19 CHAIRMAN ANDERSON: General area of
20 personnel, I think. So, we need a motion to go into
21 the executive session.

22 COMMISSIONER LARSON: I move we go
23 into executive session.

24 COMMISSIONER CAMPBELL: Second.

25 CHAIRMAN ANDERSON: Moved and seconded

1 we go into executive session.

2 (Whereupon the vote was called.)

3 CHAIRMAN ANDERSON: I have a
4 technical question. I want to adjourn the meeting.
5 How are we going to come out of the executive session
6 if we have adjourned it? We get to be in executive
7 session for the whole month.

8 MS. BEAVER: We can come out tomorrow
9 morning.

10 CHAIRMAN ANDERSON: This meeting is
11 adjourned.

12 (Thereupon this portion of the
13 proceedings were concluded on Monday, July 19, 1993.)
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CERTIFICATE

STATE OF COLORADO) ss

CITY AND COUNTY OF DENVER)

I, Harriet S. Weisenthal, Certified Shorthand Reporter and Notary Public for the City and County of Denver, State of Colorado, do hereby certify that the foregoing proceedings were taken in shorthand by me at 1313 Sherman Street, Denver, Colorado on the 19th day of July, 1993, and was reduced to computer-aided typewritten form under my supervision;

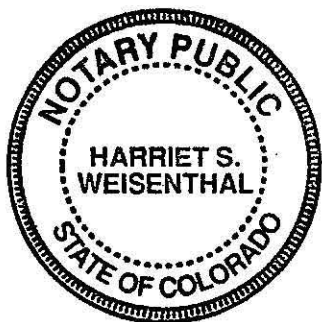
That the foregoing is a true transcript of the proceedings had; that I am neither attorney nor counsel, nor in any way connected with any attorney or counsel for any of the parties to said action or otherwise interested in the event;

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this 23rd day of September, 1993.

My Commission expires October 15, 1993.



Harriet S. Weisenthal





THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

RECEIVED

JUL 13 1993

In the Matter of:

KAREL PROCHAZKA

CAUSE NO. 1

DOCKET NO. 5-1

COLO. OIL & GAS CONS. Comm.

Monday, May 17, 1993

The above-entitled matter came on for hearing,
pursuant to notice to all parties in interest, at the
Colorado Department of Transportation, 2nd Floor Auditorium,
4201 East Arkansas Avenue, Denver, Colorado.

1 BEFORE:

2 CHAIRMAN TRUMAN ANDERSON

3 COMMISSIONER MARY C. LARSON

4 COMMISSIONER JOHN A. CAMPBELL

5 COMMISSIONER LOGAN MACMILLAN

6
7 ALSO PRESENT:

8 PATRICIA C. BEAVER, Technical Secretary

9 SUSAN MCCANNON, Acting Director

10 JULIE WREND, Assistant Attorney General
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P R O C E E D I N G S

CHAIRMAN ANDERSON: All right. The next matter before lunch, Mr. Prochazka. This is Cause No. 1, Docket No. 5-1 in Larimer County. The applicant is Karel Prochazka, is that how you pronounce it? This is a request to designate the southwest quarter of Section 28, Township 4 North, Range 69 West, as a high-density area.

Is Mr. Prochazka here? All right. That's a problem.

MS. BEAVER: I don't know, it sort of dawned on me that perhaps he thinks he doesn't need to come, I don't know, and present testimony.

CHAIRMAN ANDERSON: All right. Well, we've got two issues here, and that is; we're not sure, even if he did come, whether or not sufficient notice had been provided. We probably ought to do two things; one is to suggest to him that he does need to be here, and second, to ask him to provide us with information so that--

MS. BEAVER: At least to clarify that we did give proper notice.

CHAIRMAN ANDERSON: Yes, adequate notice. We don't-- this is something that the Commission wants to look at with the right facts, but we have to do it right, so we need to see him and we need to know that adequate notice was provided. So that means that we ought to continue this. I

1 don't know til when, but--

2 MS. BEAVER: June's getting awfully full.

3 CHAIRMAN ANDERSON: Maybe we'll just continue it
4 until July. Is that all right?

5 COMMISSIONER CAMPBELL: Good.

6 CHAIRMAN ANDERSON: Okay. So we'll just continue
7 that until July. All right. The only other remaining issue
8 is the Martindale matter. Have we told them 1, 1:30?

9 MS. BEAVER: After lunch were the words that we
10 used.

11 CHAIRMAN ANDERSON: All right. Well, we're going
12 to be eating lunch in here, aren't we?

13 MS. BEAVER: I assume they'll arrive around 1.

14 CHAIRMAN ANDERSON: Well, why don't we begin at
15 1:15. That will give us enough time. Is that all right with
16 everybody?

17 MS. BEAVER: Excuse me. Before we adjourn, when
18 we were talking earlier about the motion, or bringing before
19 you the request to rescind the unit agreements, I realize
20 that I had sort of added one to the agenda without getting
21 the Commission's approval to do that for June, so I might, if
22 I could just for the record, point out that Docket No. 6-5 on
23 your agenda is a request to rescind an order where there is
24 no longer production in an area, and part of the reason that
25 I have is there are going to be some wells that are going to

1 be reentered to use as gas storage, and we just thought it
2 might be cleaner if we rescinded that order.

3 CHAIRMAN ANDERSON: Okay. So that would be
4 brought on the Commission's own motion.

5 MS. BEAVER: Yes.

6 CHAIRMAN ANDERSON: All right.

7 MS. BEAVER: So I did that without getting your
8 approval in advance, but assuming that you would be
9 interested in cleaning up the order.

10 CHAIRMAN ANDERSON: I don't see anybody too upset
11 about it.

12 All right. With that, then, we will adjourn for
13 lunch until 1:15.

14 (Whereupon, the proceedings
15 were then concluded.)
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CERTIFICATE

This is to certify that the attached proceedings before:

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

In the Matter of: KAREL PROCHAZKA

Date: MAY 17, 1993

Location: DENVER, COLORADO

were held as herein appears, and that this is the
original transcript thereof for the file of the file.

Lynn Trast
Official Reporter

FEDERAL REPORTING SERVICE, INC.
17454 E. Asbury Place
Aurora, Colorado 80013

Tricia 10/18/93

Mrs Prochazka
called earlier
this morning
she is unable to
attend due to
her children
being sick.

— H.
