

**BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF THE MARALEX)
KEEGAN PATRICK 33-7-11 #3C REQUEST) CAUSE NO.
FOR APPLICATION FOR PERMIT TO)
DRILL FILED BY MARALEX) Docket No.
CORPORATION

NOTICE OF APPLICATION FOR HEARING PURSUANT TO RULE 303(d)(4)

COMES NOW La Plata County, Colorado, a local government, by and through counsel, Goldman, Robbins and Nicholson, P.C., by Jeffery P. Robbins, and hereby files its Notice of Application for Hearing Pursuant to Rule 303(d)(4) raising environmental and public health, welfare and safety concerns regarding the above referenced Applications as follows:

I. INTRODUCTION

1. On or about May 22, 2008, Maralex Corporation (hereinafter “Applicant”) filed its Application for Permit to Drill (attached hereto as Exhibit A) requesting approval of said Application to drill a coalbed methane well in La Plata County, Colorado.

2. La Plata County, Colorado, is a local governmental entity with standing to file this Application for Hearing alleging significant impacts on public health, safety and welfare, including the environment.

3. Pursuant to Rule 303(d)(2), Maralex was to provide a “single, informational copy of the Permit to Drill, Form 2 and Form 2A and all attachments” to La Plata County “at or before the time of filing with the Director.” La Plata County received the notification of the proposed Permit to Drill on July 8 at the time that it received a La Plata County Permit Application from Maralex. This pleading is filed within ten (10) days of the receipt of notice from Maralex as required by the rules and is, therefore, timely.

II. JURISDICTION

A. Statutory Jurisdiction of Colorado Oil and Gas Conservation Commission and of La Plata County, Colorado.

4. Pursuant to C.R.S. § 34-60-102, the Commission is charged with the promotion, development, production, and utilization of the natural resources of oil and gas in the State of Colorado in a manner consistent with the protection of the environment and public health, safety and welfare.

5. The Commission has jurisdiction over spacing orders by virtue of C.R.S. § 34-60-106(2)(c) and over oil and gas operations; however, this jurisdiction may only be exercised in a manner consistent with the protection of the environment and public health, safety and welfare.

6. Pursuant to C.R.S. § 34-60-106(2)(d), the Commission has authority to regulate “oil and gas operations so as to prevent and mitigate significant adverse environmental impacts on any air, water, soil or biological resource resulting from oil and gas operations to the extent necessary to protect public health, safety, and welfare, taking into consideration cost-effectiveness and technical feasibility.”

7. Pursuant to C.R.S. § 34-60-106(11), the Commission is charged with the duty to “promulgate rules and regulations to protect the health, safety and welfare of the public in the conduct of oil and gas operations.”

8. The Commission has jurisdiction pursuant to C.R.S. § 34-60-106(9) to perform all acts for the purpose of protecting underground sources of drinking water.

9. The Commission has jurisdiction by virtue of C.R.S. § 34-60-116(2) to establish drilling units determined by the Commission from the evidence introduced at a hearing; however, this jurisdiction may only be exercised in a manner consistent with the protection of the environment and public health, safety and welfare.

10. Pursuant to C.R.S. § 34-60-105, La Plata County, Colorado, has the statutory right to apply for a hearing before the Commission upon any question relating to the administration of statutory powers granted to the Commission.

11. Pursuant to C.R.S. § 34-60-108(7), La Plata County, Colorado, has the statutory right to protest any application, and by statute La Plata County, Colorado, shall be given full opportunity to be heard upon its protest.

B. Regulatory Jurisdiction of Colorado Oil and Gas Conservation Commission and La Plata County, Colorado.

12. Pursuant to Rule 303 of the Rules of Practice and Procedure of the Oil and Gas Conservation Commission (“Rules”), La Plata County, Colorado, as a local government, is entitled by right and without fee to apply for a hearing to be held in association with the Commission’s consideration of the Application for Permit to Drill and at such hearing, the County is entitled to raise the significant impacts to public health, safety and welfare, including the environment, that may result from the drilling and completion of the proposed wells.

13. By and through this Application and the testimony and evidence to be presented at the hearing on the Application, La Plata County, on behalf of itself and on behalf of its citizens, will establish that it and its citizens may be directly and adversely affected and aggrieved by the significant impacts to public health, safety and welfare,

including the environment, associated with the drilling and completion of the requested well and that the County's interests and those of its citizens are entitled to legal protection under the Act and the Rules of the Commission.

III. NATURE OF APPLICATION

14. La Plata County hereby files this Application to request that the Commission staff, or, alternatively, the Commission, following a hearing, require a zero discharge closed loop pitless drilling system that contains all fluids and solids in tanks and that prohibits the discharge of said fluids and/or solids to the environment and that requires such fluids and solids to be removed from site. The well site for this proposed well contains a previously drilled well which used a pit rather than a closed loop system. The staff from the COGCC confirmed that the fluids and solids from that well contaminated an adjacent domestic water well. Accordingly, La Plata County requests the Commission staff and/or the Commission to condition issuance of this APD with the requirement of a zero discharge closed loop pitless drilling system. If staff fails to place this requested condition on the APD, then the County requests a hearing on the Application for Permit to Drill in order to address this specific issue and to address the following issues and/or to preserve the following rights:

(a) To raise the significant environmental and public health, safety and welfare concerns that may arise from the Commission's consideration of the Application and to require the Commission to either deny the Application or, alternatively, to require the Commission to appropriately condition or modify the Application in order to address environmental and public health, safety and welfare concerns.

(b) To preserve La Plata County's statutory and regulatory right to present testimony and to conduct cross-examination at the hearing on the Application on issues relevant to this Application, including but not limited to, the presentation of testimony, and to conduct cross-examination on the issues set forth herein.

(c) To preserve La Plata County's right to object to relief requested in this Application.

IV. NATURE OF THE INTENDED PRESENTATION

15. La Plata County intends to submit the following witness:

(a) Michael Matheson, 1060 East 2nd Avenue, Durango, Colorado 81301 (estimated time – 1 hour, exclusive of cross-examination). Mr. Matheson will testify concerning the adverse impacts related to the well associated with the Application as such operations affect the public health, safety, welfare and environment which may require denial of the Application or conditional approval of the Application.

(b) Krista Wilson, 1060 East 2nd Avenue, Durango, Colorado 81301 (estimated time – 1 hour, exclusive of cross-examination). Ms. Wilson will testify concerning the adverse impacts related to the well associated with the Application as such

operations affect the public health, safety, welfare and environment which may require denial of the Application or conditional approval of the Application.

V. EXHIBITS

16. La Plata County hereby reserves the right to present the following exhibits:

(a) Demonstrative exhibits may include, but may not be limited to, an overlay map of La Plata County depicting the proposed location of the well and land uses, domestic water wells, lot lines, subdivision lines, roads, utility access, utility easements.

RESPECTFULLY SUBMITTED this ____ day of July, 2008.

Goldman, Robbins & Nicholson, P.C.

Jeffery P. Robbins, #26649
Post Office Box 2270
Durango, Colorado 81302
(970) 259-8747
Attorney for Intervenor, La Plata County

STATE OF COLORADO)
) ss.
COUNTY OF LA PLATA)

Jeffery P. Robbins, of lawful age, being first duly sworn upon oath, deposes and says that he is the attorney for the Board of County Commissioners of La Plata County, Colorado and that he has read the foregoing Notice of Application for Hearing Pursuant to Rule 303(D)(4) and that the matters therein contained are true to the best of my knowledge, information and belief.

Jeffery P. Robbins

Subscribed and sworn to before me this ____ day of July, 2008.

Witness my hand official seal.

My commission expires:

Notary Public

CERTIFICATE OF MAILING

I hereby certified that a true and correct copy of the foregoing Notice of Application for Hearing Pursuant to Rule 303(D)(4) was mailed, via United States Postal Service, this _____ day of July, 2008 to the following:

Maralex Resources, Inc.
P.O. Box 338
Ignacio, CO 81137
Attn: Christi Reid

Diana L. White

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