

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 1
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS IN A WILDCAT AREA,) DOCKET NO. 0504-SP-05
MOFFAT COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Rule 318.a. requires that wells drilled in excess of two thousand five hundred (2,500) feet in depth be located not less than six hundred (600) feet from any lease line, and located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

On March 7, 2005, CDX Gas, LLC (“CDX”), by its attorney, filed with the Commission a verified application for an order to allow a horizontal well system be permitted to be completed and produce hydrocarbons from the Williams Fork Coal Seam Formation (defined as the stratigraphic equivalent of the depth from 3536’ to 4708’ below the surface as found in that certain well identified as the Argo #33-16 Well located in the SE¼ SE¼ of Section 33, Township 8 North, Range 94 West, 6th P.M.), and to be located no closer than 660 feet from the outer boundary of the sections, without regard to quarter section lines within Sections 3, 4, 33 and 34, and without regard to the shared section lines between the affected sections. CDX also requests that this horizontal well system be designated as the unit well for an exploratory unit in accordance with the provisions of §34-60-116 (2), C.R.S. The surface location for the proposed horizontal production well system will be located in the SE¼ of Section 33 and will include multiple horizontal production legs from the Argo # 33-16 Well that extend no closer than 660 feet from the exterior boundaries of Sections 3, 4, 33 and 34 without regard for the shared section lines. The surface location of service well which will not produce hydrocarbons will also be located in the SE¼ of Section 33. CDX wishes to establish an approximately 1,122.18 acre exploratory drilling and spacing unit for the horizontal well system. A portion of the mineral interests underlying Sections 3, 4 and 34 are owned by the Bureau of Land Management, and CDX will secure a communitization agreement such that the 1,122.18 acre unit will be developed as one and the correlative rights of all interest owners will be protected.

Township 7 North, Range 94 West, 6th P.M.
Sections 3: All
Sections 4: E½ E½

Township 8 North, Range 94 West, 6th P.M.
Sections 33: SE¼
Sections 34: S½ S½

NOTICE IS HEREBY GIVEN, that the Oil and Gas Conservation Commission of the State of Colorado, pursuant to the above, has scheduled the above-entitled matter for hearing on:

Date: Monday, April 25, 2005
Time: 9:00 a.m.
Place: Suite 801, The Chancery Building
1120 Lincoln Street
Denver, CO 80203

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Angie Gipson at (303) 894-2100 ext. 113, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than April 11, 2005, briefly stating the basis of the protest or intervention. Such interested party shall, at the same time, serve a copy of the protest or

intervention to the person filing the application. An original and nine (9) copies shall be filed with the Commission (Rule 503.f.). Pursuant to Rule 503.e., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules. In accordance with the practices of the Commission, should no protests or interventions be filed in this matter by April 11 2005, **the Applicant may request that an administrative hearing be scheduled for the week of April 11, 2005.**

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Patricia C. Beaver, Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
March 28, 2005

Attorney for Applicant:
Michael J. Wozniak
Dorsey & Whitney LLP
370 17th St., Suite 4700
Denver, CO 80202
(303) 629-3400