

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

IN THE MATTER OF THE PROMULGATION AND )  
ESTABLISHMENT OF FIELD RULES TO GOVERN )  
OPERATIONS IN THE RULISON FIELD, )  
GARFIELD AND MESA COUNTIES, COLORADO )

CAUSE NO. 139

DOCKET NO. 0512-AW-24

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On May 18, 2005, the Commission issued Order No. 139-16 which established 640-acre drilling and spacing units for the production of gas and associated hydrocarbons from the Mesaverde Formation including the below-listed lands. On February 13, 2004 the Commission issued Order No. 139-43, which established 40-acre density drilling for the production of gas and associated hydrocarbons from the Williams Fork Formation covering certain lands including the following described lands:

Township 7 South, Range 94 West, 6<sup>th</sup> P.M.  
Sections 30 and 31: All

Township 7 South, Range 95 West, 6<sup>th</sup> P.M.  
Sections 25 and 26: All  
Sections 35 and 36: All

Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission 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. The below-listed lands are subject to Rule 318.a.:

Township 7 South, Range 94 West, 6<sup>th</sup> P.M.  
Section 19: Lot 4, SE $\frac{1}{4}$  SW $\frac{1}{4}$ , W $\frac{1}{2}$  SW $\frac{1}{4}$  SE $\frac{1}{4}$   
Section 29: All  
Section 32: All

Township 7 South, Range 95 West, 6<sup>th</sup> P.M.  
Section 24: Lots 14, 15, 16, 20  
Section 27: Lot 1, S $\frac{1}{2}$  NE $\frac{1}{4}$  NW $\frac{1}{4}$ , SE $\frac{1}{4}$  NW $\frac{1}{4}$ , SW $\frac{1}{4}$  NE $\frac{1}{4}$ , N $\frac{1}{2}$  NE $\frac{1}{4}$  SW $\frac{1}{4}$ ,  
NW $\frac{1}{4}$  SE $\frac{1}{4}$ , E $\frac{1}{2}$  E $\frac{1}{2}$   
Sections 33 and 34: All

Township 8 South, Range 95 West, 6<sup>th</sup> P.M.  
Section 3: Lots 6, 7, 8, 10  
Section 4: Lots 6, 7, 8, 9, 10  
Section 5: Lot 9  
Section 8: E $\frac{1}{2}$  E $\frac{1}{2}$  E $\frac{1}{2}$ , SE $\frac{1}{4}$  SW $\frac{1}{4}$  SE $\frac{1}{4}$ , SW $\frac{1}{4}$  SE $\frac{1}{4}$  SE $\frac{1}{4}$   
Section 9: All  
Section 10: W $\frac{1}{2}$ , W $\frac{1}{2}$  E $\frac{1}{2}$ , W $\frac{1}{2}$  E $\frac{1}{2}$  E $\frac{1}{2}$   
Section 14: SW $\frac{1}{4}$  NW $\frac{1}{4}$  NW $\frac{1}{4}$ , W $\frac{1}{2}$  SW $\frac{1}{4}$  NW $\frac{1}{4}$ , W $\frac{1}{2}$  NW $\frac{1}{4}$  SW $\frac{1}{4}$ , SE $\frac{1}{4}$  NW $\frac{1}{4}$  SW $\frac{1}{4}$ ,  
SW $\frac{1}{4}$  NE $\frac{1}{4}$  SW $\frac{1}{4}$ , N $\frac{1}{2}$  SW $\frac{1}{4}$  SW $\frac{1}{4}$ , NW $\frac{1}{4}$  SE $\frac{1}{4}$  SW $\frac{1}{4}$   
Section 15: W $\frac{1}{2}$  NE $\frac{1}{4}$  NE $\frac{1}{4}$ , SE $\frac{1}{4}$  NE $\frac{1}{4}$  NE $\frac{1}{4}$ , W $\frac{1}{2}$  NE $\frac{1}{4}$ , SE $\frac{1}{4}$  NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , N $\frac{1}{2}$  S $\frac{1}{2}$ ,  
N $\frac{1}{2}$  S $\frac{1}{2}$  S $\frac{1}{2}$   
Section 16: N $\frac{1}{2}$  N $\frac{1}{2}$ , N $\frac{1}{2}$  S $\frac{1}{2}$  N $\frac{1}{2}$ , Lots 2, 3, 7, 8, 9, 10, 11, 12, 13, 14  
Section 17: NE $\frac{1}{4}$  NE $\frac{1}{4}$ , E $\frac{1}{2}$  NW $\frac{1}{4}$  NE $\frac{1}{4}$ , NE $\frac{1}{4}$  SW $\frac{1}{4}$  NE $\frac{1}{4}$ , N $\frac{1}{2}$  SE $\frac{1}{4}$  NE $\frac{1}{4}$ , Lot 8

On October 4, 2005, Presco Inc. ("Presco"), by its attorney, filed with the Commission a verified application for an order to increase the number of wells which can be drilled into and produced from the Williams Fork Formation in the below-listed lands to the equivalent of one Williams Fork Formation well per ten (10) acres:

Township 7 South, Range 94 West, 6<sup>th</sup> P.M.  
Section 19: Lot 4, SE $\frac{1}{4}$  SW $\frac{1}{4}$ , W $\frac{1}{2}$  SW $\frac{1}{4}$  SE $\frac{1}{4}$   
Sections 29 through 32: All

Township 7 South, Range 95 West, 6<sup>th</sup> P.M.

Section 24: Lots 14, 15, 16, 20  
Section 25 and 26: All  
Section 27: Lot 1, S $\frac{1}{2}$  NE $\frac{1}{4}$  NW $\frac{1}{4}$ , SE $\frac{1}{4}$  NW $\frac{1}{4}$ , SW $\frac{1}{4}$  NE $\frac{1}{4}$ , N $\frac{1}{2}$  NE $\frac{1}{4}$   
SW $\frac{1}{4}$ , NW $\frac{1}{4}$  SE $\frac{1}{4}$ , E $\frac{1}{2}$  E $\frac{1}{2}$   
Sections 33 through 36: All

Township 8 South, Range 95 West, 6<sup>th</sup> P.M.

Section 3: Lots 6, 7, 8, 10  
Section 4: Lots 6, 7, 8, 9, 10  
Section 5: Lot 9  
Section 8: E $\frac{1}{2}$  E $\frac{1}{2}$  E $\frac{1}{2}$ , SE $\frac{1}{4}$  SW $\frac{1}{4}$  SE $\frac{1}{4}$ , SW $\frac{1}{4}$  SE $\frac{1}{4}$  SE $\frac{1}{4}$   
Section 9: All  
Section 10: W $\frac{1}{2}$ , W $\frac{1}{2}$  E $\frac{1}{2}$ , W $\frac{1}{2}$  E $\frac{1}{2}$  E $\frac{1}{2}$   
Section 14: SW $\frac{1}{4}$  NW $\frac{1}{4}$  NW $\frac{1}{4}$ , W $\frac{1}{2}$  SW $\frac{1}{4}$  NW $\frac{1}{4}$ , W $\frac{1}{2}$  NW $\frac{1}{4}$  SW $\frac{1}{4}$ , SE $\frac{1}{4}$  NW $\frac{1}{4}$  SW $\frac{1}{4}$ ,  
SW $\frac{1}{4}$  NE $\frac{1}{4}$  SW $\frac{1}{4}$ , N $\frac{1}{2}$  SW $\frac{1}{4}$  SW $\frac{1}{4}$ , NW $\frac{1}{4}$  SE $\frac{1}{4}$  SW $\frac{1}{4}$   
Section 15: W $\frac{1}{2}$  NE $\frac{1}{4}$  NE $\frac{1}{4}$ , SE $\frac{1}{4}$  NE $\frac{1}{4}$  NE $\frac{1}{4}$ , W $\frac{1}{2}$  NE $\frac{1}{4}$ , SE $\frac{1}{4}$  NE $\frac{1}{4}$ , NW, N $\frac{1}{2}$  S $\frac{1}{2}$ , N $\frac{1}{2}$   
S $\frac{1}{2}$  S $\frac{1}{2}$   
Section 16: N $\frac{1}{2}$  N $\frac{1}{2}$ , N $\frac{1}{2}$  S $\frac{1}{2}$  N $\frac{1}{2}$ , Lots 2, 3, 7, 8, 9, 10, 11, 12, 13, 14  
Section 17: NE $\frac{1}{4}$  NE $\frac{1}{4}$ , E $\frac{1}{2}$  NW $\frac{1}{4}$  NE $\frac{1}{4}$ , NE $\frac{1}{4}$  SW $\frac{1}{4}$  NE $\frac{1}{4}$ , N $\frac{1}{2}$  SE $\frac{1}{4}$  NE $\frac{1}{4}$ , Lot 8

In addition, for the lands subject to Order Nos. 139-16 and 139-43, the permitted downhole location for each Williams Fork Formation well drilled should be located anywhere within the unit but no closer than 100 feet from the unit boundary unless such boundary abuts or corners lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill ten 10-acre density wells in which event the well should be drilled downhole no closer than 200 feet from that portion of the unit boundary which so abuts or corners the lands in respect of which ten 10-acre density downhole drilling for Williams Fork Formation wells has not been ordered by the Commission. Further, for the lands subject to Rule 318., all future Williams Fork Formation wells drilled should be located downhole anywhere upon such lands but no closer than 100 feet from the lease boundary unless such boundary abuts or corners lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill ten 10-acre density wells in which even the Williams Fork Formation wells to be drilled upon such should be drilled downhole no closer than 200 feet from that portion of the lease boundary which so abuts or corners the lands in respect of which ten 10-acre density downhole drilling for Williams Fork Formation wells has not been ordered by the Commission.

Presco commits that wells to be drilled under this application will be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter quarter section unless exception is granted by the Colorado Oil and Gas Conservation Commission. Further, the applicant confirms that this application is not intended to change or revise in any way the provisions of the Commission's Order No. 139-43 relative to drilling within one half mile of the Austral Oil Hayward #25-95 (R-E) Well in Lot 11 of the NE $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 25, Township 7 South, Range 95 West, 6<sup>th</sup> P.M.

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, December 5, 2005  
Tuesday, December 6, 2005  
  
Time: 9:00 a.m.  
  
Place: Suite 801  
The Chancery Building  
1120 Lincoln Street  
Denver, Colorado 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 Margaret Humecki at (303) 894-2100 ext. 139, 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 November 21, 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.). **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of November 21, 2005.** 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 **November 21, 2005, the Applicant may request that an administrative hearing be scheduled for the week of November 21, 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  
November 4, 2005

Attorney for Applicant:  
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