

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

IN THE MATTER OF THE PROMULGATION) CAUSE NO. 112
AND ESTABLISHMENT OF FIELD RULES TO)
GOVERN OPERATIONS IN IGNACIO-BLANCO) DOCKET NO. 0604-AW-03
FIELD, LA PLATA COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On June 15, 1988, the Commission issued Order No. 112-60 which established 320-acre drilling and spacing units for production of gas from the Fruitland coal seams, with the permitted well to be located no closer than 990 feet to any outer boundary of the unit, nor closer than 130 feet to any interior quarter section line, including certain lands in Township 33 North, Ranges 7 through 9 West, N.M.P.M.

On October 21, 1997, the Commission issued Order No. 112-136, which allowed an optional additional well to be drilled and to be located in the center of the NE¼ and the SW¼ of the section, no closer than 990 feet to any outer boundary of the unit, nor closer than 130 feet to any interior quarter section line, for production of gas from the Fruitland coal seams, including Section 26, Township 33 North, Range 9 West, N.M.P.M.

On May 15, 2000 the Commission issued Order No. 112-157 which allowed an optional second Fruitland coal seam well to be drilled in each 320-acre drilling and spacing unit with such additional well being located no closer than 990 feet to any outer boundary of the unit, nor closer than 130 feet to any interior quarter section line, including certain lands in Township 33 North, Ranges 7 through 9 West, N.M.P.M.

Subsequent orders issued by the Commission in Cause No. 112 allowed a total of four (4) wells to be optionally drilled in certain 320-acre drilling and spacing units including certain lands in and near Township 33 North, Ranges 7 through 9 West, N.M.P.M., with the permitted well to be located no closer than 660 feet to any outer boundary of the unit with no interior section line setback, utilizing a common or expanded pad with an existing well, for production of gas from the Fruitland coal seams.

On January 30, 2006, Elm Ridge Exploration Company LLC., by its attorney, filed with the Commission a verified application for an order to allow optional third and fourth wells in each 320-acre drilling and spacing unit for production of gas from the Fruitland coal seams, with the permitted well to be located no closer than 660 feet from the unit boundary, with no interior section line setback for the below listed lands:

Township 33 North, Range 7 West, N.M.P.M.
Section 18: W½

Township 33 North, Range 8 West, N.M.P.M.
Section 6: S½
Section 7: All
Section 8: E½
Section 9: W½
Section 11: W½
Section 15: S½
Section 16: E½
Section 17: W½
Section 18: W½
Section 20: N½
Section 21: All

Township 33 North, Range 9 West, N.M.P.M.
Section 13: E½
Section 15: W½
Section 26: N½

The Director may after notice and hearing approve exceptions to permitted well locations due to topography or surface hazards or the recompletion of wells previously drilled at permitted locations, provided that appropriate notice of such exception location is afforded to offset owners as required by Commission rules. The surface location of each of the optional wells shall be located on a common or expanded pad with the existing well such that a total of four (4) Fruitland coal seam well pads shall be authorized in each governmental section. While not required by the Commission's Rules, Applicant shall propose a Health, Safety and Welfare Plan ("HS&W Plan") which shall apply to operations on lands not within the jurisdiction of the Southern Ute Indian Tribe. The Applicant requests a finding by the Commission that the HS&W Plan adequately addresses concerns related to the environment and public health, safety and welfare not otherwise addressed by Commission Rule on such non-tribal lands.

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 24, 2006
Tuesday, April 25, 2006

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 April 10, 2006 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 April 10, 2006.** 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 10, 2006, the Applicant may request that an administrative hearing be scheduled for the week of April 10, 2006.**

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 23, 2006

Attorney for Applicant:
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