

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

IN THE MATTER OF THE PROMULGATION)	CAUSE NO. 440
AND ESTABLISHMENT OF FIELD RULES TO)	
GOVERN OPERATIONS IN THE PARACHUTE)	DOCKET NO. 0604-SP-16
FIELD, GARFIELD COUNTY, COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On May 18, 1990, the Commission issued Order No. 139-16 which, among other things, established 640-acre drilling and spacing units for the production of gas and associated hydrocarbons from the Mesaverde Formation with the permitted well to be located no closer than 990 feet for the below-listed lands:

Township 7 South, Range 95 West, 6th P.M.
Sections 12 through 14: All
Sections 19 through 36: All

On May 18, 1990, the Commission issued Order No. 440-12 which, among other things, established 320-acre drilling and spacing units for the production of gas and associated hydrocarbons from the Mesaverde Formation with the permitted well to be located no closer than 1200 feet for the below-listed lands:

Township 7 South, Range 95 West, 6th P. M.
Sections 1 through 11: All
Sections 15 through 18: All

On July 30, 1997, the Commission issued Order Nos. 139-31 and 440-18 which, among other things, allowed the optional drilling of additional wells, up to sixteen (16) wells per 640-acre drilling and spacing unit and up to eight (8) wells per 320-acre drilling and spacing unit, for the below-described lands in the Rulison and Parachute Fields for the production of gas and associated hydrocarbons from the Williams Fork Formation of the Mesaverde Group, with the permitted well to be located no closer than 400 feet from the outer boundaries of the drilling unit and no closer than 800 feet to any well or wells producing from the same formation.

Township 7 South, Range 94 West, 6th P.M.
Sections 16 through 17: All

Township 7 South, Range 95 West, 6th P.M.
Section 10: W½
Sections 15 through 16: All
Sections 19 through 22: All
Sections 27 through 34: All

Township 7 South, Range 96 West, 6th P.M.
Sections 24 through 25: All
Section 36: All

On January 30, 2006, amended on March 22, 2006, Apollo Energy LLC., by its attorney, filed with the Commission a verified application for an order to allow the equivalent of one well per 10 acres to be drilled on the 320-acre drilling and spacing unit consisting of the W½ of Section 15, Township 7 South, Range 95 West, 6th P.M., and on the 640-acre drilling and spacing unit consisting of Section 22, Township 7 South, Range 95 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation, with the permitted well to be located no closer than 100 feet from the unit boundary. Where the lands abut or corner lands for which the Commission has not at the time of drilling permit application granted the right to drill 10-acre density Williams Fork Formation wells, wells shall be located downhole no closer than 200 feet from the boundary of the drilling unit abutting lands for which 10 acre density downhole drilling for Williams Fork Formation wells has not been ordered by the Commission. Applicant requests the Commission allow wells drilled on the lands to be drilled either vertically or directionally from no more than one pad located on

a given quarter quarter section unless exception is granted by the Commission pursuant to an application made requesting such exception.

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 24, 2006

Attorney for Applicant:
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