

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

IN THE MATTER OF THE PROMULGATION)	CAUSE NOS.139 & 510
AND ESTABLISHMENT OF FIELD RULES TO)	
GOVERN OPERATIONS IN THE RULISON FIELD,)	DOCKET NO. 0604-SP-18
GARFIELD AND MESA COUNTIES, COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Rule 318.a. of the Rules and Regulations of the 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, unless authorized by order of the Commission upon hearing. The below listed lands are subject to this rule:

Township 7 South, Range 96 West, 6th P.M.
Section 35: S $\frac{1}{2}$ SE $\frac{1}{4}$

Township 8 South, Range 95 West, 6th P.M.
Section 5: Lots 6, 7, 8, 10
Section 8: W $\frac{1}{2}$ E $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 17: Lots 2, 3, 4, 5, 6, 7 and 9, SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ W $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 18: Lots 7, 8, 9, 10 and 11, E $\frac{1}{2}$ NE $\frac{1}{4}$
Resurvey Tracts 45 and 46 as located in Sections 16, 17, 20, and 21

On November 5, 2002, the Bureau of Land Management approved the Orchard Federal Unit Agreement. The below-listed lands are located within the boundaries of the Orchard Federal Unit but are not committed to the unit and are not bound by the terms of the Orchard Federal Unit Agreement. The lands are therefore subject to Rule 318.a. of the Rules and Regulations of the Commission:

Township 8 South, Range 96 West, 6th P.M.
Section 14: SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 15: SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 22: E $\frac{1}{2}$ NE $\frac{1}{4}$
Section 23: W $\frac{1}{2}$ NW $\frac{1}{4}$

On May 16, 1994, the Commission issued Order No. 510-1, which among other things, established new setback rules allowing permitted wells to be located no closer than 400 feet from the boundaries of any lease line and no closer than 800 feet from any existing Williams Fork Formation well for certain lands including the SW $\frac{1}{4}$ of Section 35, Township 7 South, Range 96 West, 6th P.M. Subsequent Order No. 510-14, corrected on February 28, 2006, established 160-acre drilling and spacing units for certain lands including the SW $\frac{1}{4}$ of Section 35, Township 7 South, Range 96 West, 6th P.M., and allowed the equivalent of one well per 10-acres, for production of gas and associated hydrocarbons from the Williams Fork Formation.

On May 19, 1990, the Commission issued Order No. 139-16 which among other things, established 640-acre drilling and spacing units for the production of gas from the Mesaverde Formation, for the below-listed lands:

Township 7 South, Range 94 West, 6th P.M.
Section 17: All
Section 18: All
Section 19: All
Section 20: All
Section 30: All

Township 7 South, Range 95 West, 6th P.M.
Section 32: S $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$

Subsequent Order No. 139-31 amended Order No. 139-16 and among other things, allowed sixteen (16) wells to be drilled on the 640-acre drilling and spacing units consisting of Section 17, Township 7 South, Range 94 West, 6th P.M. and Section 32, Township 7 South, Range 95 West, 6th P.M.

On February 13, 2004, the Commission issued Order No. 139-43, which among other things, increased the number of wells to be drilled for production of gas from the Williams Fork Formation to one (1) well per 40-acres for lands including Section 30, Township 7 South, Range 94 West, 6th P.M.

Subsequent Order No. 139-53, among other things, allowed the number of wells to be drilled for production of gas and associated hydrocarbons from the Williams Fork Formation, the equivalent of one (1) well per 10 acres for lands including Sections 19 and 30, Township 7 South, Range 94 West, 6th P.M.

On February 28, 2005, the Commission issued Order No. 139-45, which among other things, established 40-acre drilling and spacing units for the production of gas and associated hydrocarbons from the Williams Fork Formation and allowed the equivalent of one (1) well per 10 acres, for certain lands including Lots 5 and 6, Section 18, Township 8 South, Range 95 West, 6th P.M. On November 30, 2005, the Commission entered Order No. 139-51, which established 40-acre drilling and spacing units for the production of gas and associated hydrocarbons from the Iles Formation and allowed the equivalent of one (1) well per 10 acres, including lands in Lots 5 and 6, Section 18, Township 8 South, Range 95 West, 6th P.M.

On March 6, 2006, Noble Energy Inc., by its attorney, filed with the Commission a verified application for an order to establish 40-acre drilling and spacing units for the below-listed lands for production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, allowing up to one (1) well per ten (10) acres with the option of up to four (4) wells, with the permitted well to be located no closer than 100 feet from the unit boundary, and no closer than 200 feet from the unit boundaries where 10-acre density drilling has not been allowed, without exception being granted by the Director of the Oil and Gas Conservation Commission. Said wells 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 Director of the Oil and Gas Conservation Commission.

Township 7 South, Range 96 West, 6th P.M.
Section 35: SW¹/₄, S¹/₂ SE¹/₄

Township 8 South, Range 95 West, 6th P.M.
Section 5: Lots 6 through 8 and 10
Section 8: W¹/₂ E¹/₂ NE¹/₂, W¹/₂ NE¹/₄, W¹/₂, NW¹/₄ SE¹/₄, W¹/₂ SW¹/₄ SE¹/₄, NE¹/₄
SW¹/₄ SE¹/₄, NW¹/₄ SE¹/₄ SE¹/₄
Section 17: Lots 2 through 7 and 9, SE¹/₄ SW¹/₄ NE¹/₄, W¹/₂ W¹/₂ NE¹/₄, NW¹/₄,
NW¹/₄ SE¹/₄
Section 18: Lots 5 through 11, E¹/₂ NE¹/₄
Resurvey Tracts 45 and 46 as located in Sections 16, 17, 20, and 21

The order should establish 40-acre drilling and spacing units for production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, for the below-listed lands, allowing up to one (1) well per ten (10) acres with the option of up to four (4) wells, with the permitted well to be located no closer than 100 feet from the unit boundary, and no closer than 200 feet from the unit boundaries where 10-acre density drilling has not been allowed, without exception being granted by the Director of the Oil and Gas Conservation Commission. The parties have agreed that the setbacks for each well located on that portion of the Orchard Unit Application Lands within the Federal Orchard Unit should adhere to EnCana's existing unit setbacks of six hundred (600) feet as to the East and West lines of the Unit Application Lands and two hundred (200) feet setback on the North and South lines of the Unit Application Lands. Said wells 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 Director of the Oil and Gas Conservation Commission

Township 8 South, Range 96 West, 6th P.M.
Section 14: SW¹/₄ SW¹/₄
Section 15: SE¹/₄ SE¹/₄
Section 22: E¹/₂ NE¹/₄
Section 23: W¹/₂ NW¹/₄

In addition, the order should establish a 160-acre drilling and spacing unit for production of gas and associated hydrocarbons and allow the equivalent of one (1) well per 10-acres to be drilled on said unit for the SW¼ of Section 35, Township 7 South, Range 96 West, 6th P.M., with the permitted well to be located no closer than 100 feet from the unit boundary and no closer than 200 feet from the unit boundary where 10-acre density has not been allowed. Said wells 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 Director of the Oil and Gas Conservation Commission.

Further, the order should allow up to one (1) well per 10 acres for production of gas and associated hydrocarbons from the Iles Formation, with the permitted well to be located no closer than 100 feet from the unit boundary and no closer than 200 feet from the unit boundary where 10-acre density has not been allowed, for the below listed lands. Said wells 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 Director of the Oil and Gas Conservation Commission.

Township 7 South, Range 94 West, 6th P.M.
Section 17: All
Section 18: All
Section 19: All
Section 20: All
Section 30: All

Township 7 South, Range 95 West, 6th P.M.
Section 32: S½, S½ N½

The order should also clarify that Lots 5 and 6, Section 18, Township 8 South, Range 95 West, 6th P.M., are covered by Order Nos. 139-45 and 139-51, which established 40-acre drilling and spacing units for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations. In addition, the order should allow one well per 10 acres for production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, with the permitted well to be located no closer than 100 feet from the unit boundary and no closer than 200 feet from the unit boundary where 10-acre density has not been allowed. Said wells 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 Director of the Oil and Gas Conservation Commission

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

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