

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. 0607-AW-10  
FIELD, LA PLATA COUNTY, COLORADO )

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On June 17, 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 Townships 32 through 34 North, Ranges 6 through 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 Townships 32 through 34 North, Ranges 6 through 9 West, N.M.P.M.

On May 22, 2006, BP America Production Company (“BP”) and Southern Ute Indian Tribe, d/b/a Red Willow Production Company, by their attorney, filed with the Commission a verified application for an order to allow an optional third or fourth well, for a total of up to four (4) wells, to be drilled 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. 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 Fruitland coal well pads shall be authorized in each governmental section.

Township 32 North, Range 6 West, N.M.P.M.  
Section 3: All  
Section 8: E½  
Sections 9 and 10: All  
Section 15: W½  
Section 16: All

Township 32 North, Range 7 West, N.M.P.M.  
Section 3: N½  
Section 5: S½  
Sections 7 and 8: All  
Sections 17 thru 19: All

Township 32 North, Range 8 West, N.M.P.M.  
Sections 1 through 24: All

Township 32 North, Range 9 West  
Section 1: All  
Sections 12 and 13: All  
Section 24: All

Township 33 North, Range 6 West, N.M.P.M.  
Sections 6 and 7: All

Township 33 North, Range 7 West, N.M.P.M.  
Section 1: S½, N½  
Section 4: All  
Sections 7 and 8: All  
Section 9: W½  
Section 14: W½  
Section 16: S½  
Section 17: All  
Section 18: E½  
Sections 19 through 21: All  
Section 26: W½

Sections 27 and 28:	All
Section 29:	E½
Section 30	N½
Section 34:	All
Section 35:	W½

Township 33 North, Range 8 West, N.M.P.M.

Section 2:	S½
Section 3:	N½
Section 4:	All
Section 5:	N½
Section 6:	N½
Section 10:	N½
Section 11:	E½
Sections 12 and 13:	All
Section 14:	E½
Section 19:	S½
Section 22:	N½
Section 23:	N½
Section 25:	N½
Section 30:	E½
Sections 31 and 32:	All
Section 33:	W½

Township 33 North, Range 9 West, N.M.P.M.

Section 1:	All
Section 4:	All
Sections 6 through 11:	All
Section 12:	W½
Section 13:	W½
Section 14:	All
Section 15:	E½
Section 16:	All
Section 19:	E½
Section 21:	All
Section 22:	W½
Sections 23 through 25:	All
Section 29:	All

Township 34 North, Range 7 West, N.M.P.M.

Sections 2 and 3:	All
Sections 10 and 11:	All
Section 15:	All
Sections 22 and 23:	All
Section 24:	S½
Section 25:	W½, E½
Sections 26 and 27:	All
Section 33:	S½
Section 34:	All
Section 35:	N½
Section 36:	N½

Township 34 North, Range 9 West, N.M.P.M.

Section 4:	All
Section 9:	All
Sections 16 and 17:	All
Sections 18:	S½
Sections 19 through 21:	All
Section 28:	All
Section 30:	N½
Section 31:	All
Section 33:	E½

Applicants further state that the requested additional wells can be developed in a manner consistent with protection of public health, safety and welfare. To this end, Co-Applicant BP shall propose a Health, Safety

and Welfare Plan which is likely to be a portion of a Memorandum of Understanding by and between BP and La Plata County, Colorado ("HS&W Plan") which shall apply to operations on lands not within the jurisdiction of the Southern Ute Indian Tribe. The Applicants request a finding by the Commission that such 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. Moreover, new compressor installations shall use the best available emission control technology and Co-Applicant BP shall also provide a plan to the Southern Ute Indian Tribe to evaluate the modification of older compression installation emission technology in the field over the next five (5) years.

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, July 10, 2006  
Tuesday, July 11, 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 June 26, 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 June 26, 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 June 26, 2006, the Applicant may request that an administrative hearing be scheduled for the week of June 26, 2006. In accordance with Rule 511.b. of the Rules and Regulations of the Commission, if the matter is uncontested, the applicant may request, and the Director may recommend approval on the basis of the merits of the verified application and the supporting exhibits.

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  
June 9, 2006

Attorney for Applicant:  
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