

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. 0611-AW-32
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 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, Range 9 West, N.M.P.M.

On October 10, 2006, Petrogulf Corporation, by it's attorney, filed with the Commission a verified application for an order allow up to four (4) wells to be optionally drilled in the 320-acre drilling and spacing unit consisting of the S½ of Section 31, Township 33 North, Range 9 West, N.M.P.M., with the permitted well to be located no closer than 660 feet from the unit boundary. 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 two (2) Fruitland coal well pads shall be authorized in the 320-acre drilling and spacing unit.

Petrogulf further states that the requested additional wells can be developed in a manner consistent with protection of public health, safety and welfare. To this end, Petrogulf shall propose a Health, Safety and Welfare Plan which is likely to be a portion of a Memorandum of Understanding by and between Petrogulf 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 Applicant requests 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 Applicant Petrogulf 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, November 27, 2006
Tuesday, November 28, 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 November 13, 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 November 13, 2006.** Pursuant to Rule 503.f., 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 13, 2006, the Applicant may request that an administrative hearing be scheduled for the week of November 13, 2006.** In the alternative, pursuant to Rule 511.b., 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
October 27, 2006

Attorney for Applicant:
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