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

IN THE MATTER OF THE PROMULGATION AND ESTABLISHMENT OF FIELD RULES TO GOVERN OPERATIONS IN THE PADRONI WEST FIELD, LOGAN COUNTY, COLORADO CAUSE NO. 7 DOCKET NO. 0611-EX-08

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On August 15, 2005, the Commission issued Order No. 7-3, which among other things, established 20-acre drilling and spacing units for the below-listed lands, with the permitted well to be located in the NW¼ and SE¼ of each quarter quarter section no closer than 200 feet from the boundary of the quarter quarter section where the well is located, for production of oil, gas and associated hydrocarbons from the Dakota O-Sand Formation:

Township 9 North, Range 52 West, 6th P.M. Section 6: All Section 7: N¹/₂ N¹/₂, S¹/₂ NE¹/₄

Township 9 North, Range 53 West, 6th P.M. Section 1: E¹/₂ E¹/₂

Township 10 North, Range 52 West, 6th P.M. Section 31: W¹/₂, SE¹/₄

On September 8, 2006, Citation Oil & Gas Corporation, by its attorney, filed with the Commission a verified application for an order granting an exception location to Order No. 7-3, for the horizontal drilling of the DuBois 7H Well from a surface location in the SW¼ SE¼ of Section 6, Township 9 North, Range 52 West, 6th P.M. to a bottom hole location in the NE¼ NE¼ of Section 7, Township 9 North, Range 52 West, 6th P.M., to be located no closer than 200 feet from the south boundary of the NE¼ NE¼ of Section 7 and no closer than 400 feet to any existing well producing from the Dakota O-Sand Formation.

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, <u>the Applicant</u>** 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: Randall M. Case Poulson, Odell & Peterson, LLC 1775 Sherman St., Suite 1400 Denver, CO 80203 (303) 861-4400