

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 510
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS IN THE, GRAND VALLEY FIELD,) DOCKET NO. 0609-AW-19
GARFIELD COUNTY, 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. The below listed lands are subject to this rule:

- Township 6 South, Range 97 West, 6th P. M.
Section 34: Lots 1 and 2
- Township 7 South, Range 97 West, 6th P. M.
Section 3: Tracts 71 and 72, Amended Tract 75, Lots 5 - 7, SE $\frac{1}{4}$ SE $\frac{1}{4}$
Sections 3, 4 and 9: Tract 77F
Section 4: Tracts 77B, 77C, 79E, 79F and 79G
Section 5: Lots 5 – 10, Tracts 84 and 85
Section 8: Lots 1 – 8, Tracts 85, 88 and 89
Section 9: Lots 1 and 2, Tracts 92, 93, 94A, 94B, 94C, 94D, 94E, 94F and 95
Section 10: All
Sections 15 and 16: All
Section 17: Lots 1 - 9, Tracts 103 and 111, S $\frac{1}{2}$ SE $\frac{1}{4}$
Section 18: Lots 5 - 10, Tracts 103 and 104, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 19: Lots 5 - 9, W $\frac{1}{2}$ NE $\frac{1}{4}$, & E $\frac{1}{2}$ NW $\frac{1}{4}$
Section 20: Lots 1 - 3, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, & SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 21: Lots 3 and 4, Tract 112A (Echo #2), Tract 113 (Echo #3), Tract 114A, Tract 114 B (Echo #1 claim), Tract 115 A (Echo #4), Tract 124A-1 (Echo #6)
Section 22: All except Tract 112B
Sections 23 and 24: All
Sections 25 and 26: N $\frac{1}{2}$
Section 27: Tract 120 A (Texas #41), Tracts 121B & C (Ransom #6 claim), Tract 122 (Texas #30), Tracts 123A & B (Ransom #5 claim), and Tract 124 A1 (Echo #6)
Section 28: Tract 124A1

On May 16, 1994, the Commission issued Order No. 510-1, which among other things established setback rules for certain lands including the below-listed, for production from the Williams Fork Formation, with the 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:

- Township 7 South, Range 96 West
Section 9: S $\frac{1}{2}$
Section 10: SW $\frac{1}{4}$
Section 15: NW $\frac{1}{4}$
Section 16: All
Section 17: NE $\frac{1}{4}$, S $\frac{1}{2}$
Section 18: S $\frac{1}{2}$
Section 19: N $\frac{1}{2}$, SW $\frac{1}{4}$
Section 20: N $\frac{1}{2}$
Section 30: NW $\frac{1}{4}$
- Township 7 South, Range 97 West
Sections 11 through 14: All

On July 26, 2006, amended on August 1, 2006, Oxy USA WTP LP, by its attorney, filed with the Commission a verified application for an order to allow the equivalent of one (1) well per 10 acres for production of gas and associated hydrocarbons from the Williams Fork Formation, for the below-listed lands. For the Williams Fork Formation wells, the permitted well shall be located no closer than one hundred (100) feet from the outside boundary of the application lands unless such boundary abuts or corners lands in respect of which the Commission has not at the time of the drilling permit application granted the right to drill 10-acre density wells, in which event the Williams Fork Formation wells to be drilled on the application lands should be drilled downhole no closer than two hundred (200) feet from that portion of the boundary which so abuts or corners the lands in respect of which 10-acre density downhole drilling for Williams Fork Formation wells has not been ordered by the Commission.

Township 6 South, Range 97 West, 6th P. M.

Section 34: Lots 1 and 2

Township 7 South, Range 96 West, 6th P. M.

Section 9: S¹/₂
Section 10: SW¹/₄
Section 15: NW¹/₄
Section 16: All
Section 17: NE¹/₄, S¹/₂
Section 18: S¹/₂
Section 19: N¹/₂, SW¹/₄
Section 20: N¹/₂
Section 30: NW¹/₄

Township 7 South, Range 97 West, 6th P. M.

Section 3: Tracts 71 and 72, Amended Tract 75, Lots 5 - 7, SE¹/₄ SE¹/₄
Sections 3, 4 and 9: Tract 77F
Section 4: Tracts 77B, 77C, 79E, 79F and 79G
Section 5: Lots 5 – 10, Tracts 84 and 85
Section 8: Lots 1 – 8, Tracts 85, 88 and 89
Section 9: Lots 1 and 2, Tracts 92, 93, 94A, 94B, 94C, 94D, 94E, 94F and 95
Section 10: All
Section 11: S¹/₂ S¹/₂
Section 12: S¹/₂ S¹/₂
Section 13: All
Section 14: W¹/₂
Sections 15 and 16: All
Section 17: Lots 1 - 9, Tracts 103 and 111, S¹/₂ SE¹/₄
Section 18: Lots 5 - 10, Tracts 103 and 104, SE¹/₄ SW¹/₄, SW¹/₄ SE¹/₄
Section 19: Lots 5 - 9, W¹/₂ NE¹/₄ and E¹/₂ NW¹/₄
Section 20: Lots 1 - 3, E¹/₂, E¹/₂ W¹/₂ and SW¹/₄ SW¹/₄
Section 21: Lots 3 and 4, Tract 112A (Echo #2), Tract 113 (Echo #3), Tract 114A, Tract 114 B (Echo #1 claim), Tract 115 A (Echo #4), Tract124A-1 (Echo #6)
Section 22: All except Tract 112B
Sections 23 and 24: All
Sections 25 and 26: N¹/₂
Section 27: Tract 120 A (Texas #41), Tracts 121B & C (Ransom #6 claim), Tract 122 (Texas #30), Tracts 123A & B (Ransom #5 claim), and Tract 124 A1 (Echo #6)
Section 28: Tract 124A1

That, except as previously authorized by order of the Commission, wells to be drilled under this application will be drilled from the surface either vertically or directionally from no more than one (1) pad located on a given quarter quarter section unless exception is granted by the Colorado Oil and Gas Conservation Commission pursuant to application made for 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, September 18, 2006
Tuesday, September 19, 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 September 1, 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 September 5, 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 **September 1, 2006, the Applicant may request that an administrative hearing be scheduled for the week of September 5, 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
August 18, 2006

Attorney for Applicant:
William A. Keefe
Poulson, Odell & Peterson, LLC
1775 Sherman Street, Suite 1400
Denver, CO 80203
(303) 861-4400