

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

IN THE MATTER OF PROMULGATION AND)	CAUSE NO. 139
ESTABLISHMENT OF FIELD RULES TO)	
GOVERN OPERATIONS IN THE RULISON)	DOCKET NO. 0708-SP-25
FIELD, 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 Colorado Oil and Gas Conservation Commission requires wells drilled in excess of 2,500 feet in depth to be located not less than 600 feet from any lease line, and not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply. Certain lands in Townships 7 and 8 South, Range 96 West, 6th P.M. are subject to this rule.

On March 20, 2006, the Commission issued Order No. 139-54, which among other things, established 40-acre drilling and spacing units for the production of gas and associated hydrocarbons from the Williams Fork Formation, consisting of N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 3 and the E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 4, Township 8 South, Range 96 West, 6th P.M., with the equivalent of one well per 20 acres allowed.

On June 5, 2006, the Commission issued Order No. 139-62, which among other things, established 40-acre drilling and spacing units for the production of gas and associated hydrocarbons from the Iles Formation, consisting of the N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 3 and the E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 4, Township 8 South, Range 96 West, 6th P.M., and allowing the equivalent of one well per 20 acres.

On May 16, 1994, the Commission issued Order No. 510-1, which among other things, 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 wells for certain lands including Section 34, Township 7 South, Range 96 West, 6th P.M., and for the production of gas and associated hydrocarbons from the Williams Fork Formation of the Mesaverde Group.

On July 6, 2007, PetroHunter Operating Company ("PetroHunter"), 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 the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group:

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

Section 34: SW $\frac{1}{4}$ SE $\frac{1}{4}$
SE $\frac{1}{4}$ SW $\frac{1}{4}$
SE $\frac{1}{4}$ NW $\frac{1}{4}$
SW $\frac{1}{4}$ NE $\frac{1}{4}$
NW $\frac{1}{4}$ SE $\frac{1}{4}$
NE $\frac{1}{4}$ SW $\frac{1}{4}$

Township 8 South, Range 96 West, 6th P.M.

Section 3: Lot 2 (a/d/a NW $\frac{1}{4}$ NE $\frac{1}{4}$)
Lot 3 (a/d/a NE $\frac{1}{4}$ NW $\frac{1}{4}$)
Section 4 NW $\frac{1}{4}$ NW $\frac{1}{4}$
SW $\frac{1}{4}$ NW $\frac{1}{4}$

That all future Williams Fork Formation and Iles Formation wells shall be located downhole no closer than 100 feet from the boundaries of the unit unless such unit abuts or corners lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill Williams Fork Formation and Iles Formation 10-acre density wells, in which event the wells shall be drilled downhole no closer than 200 feet from the unit which so abuts or corners the lands in respect of which 10-acre density downhole drilling for the Williams Fork Formation and Iles Formation wells has not been ordered by the Commission.

In addition, the order should: (a) allow the number of wells which can be optionally drilled into and produced from the Williams Fork and Iles Formations within the SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section

34, Township 7 South, Range 96 West, 6th P.M., to be drilled to the equivalent of one well per 20 acres; and (b) allow the number of wells which can be optionally drilled into and produced from the Williams Fork and Iles Formations within the balance of the application lands located within Section 34, Township 7 South, Range 96 West, 6th P.M., to be drilled to the equivalent of one well per 10 acres.

Further, the order should: (a) allow the number of wells which can be optionally drilled into and produced from the Williams Fork and Iles Formations within that portion of the application lands located in Section 4, Township 8 South, Range 96 West, 6th P.M. to be the equivalent of one well per 20 acres; and (b) allow the number of wells which can be optionally drilled into and produced from the Williams Fork and Iles Formations within that portion of the application lands located in Section 3, Township 8 South, Range 96 West, 6th P.M. to be the equivalent of one well per 10 acres.

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, August 27, 2007
Tuesday, August 28, 2007

Time: 9:00 a.m.

Place: Southwest Weld County Services Complex, South Wing
4209 Weld County Road 24½
Longmont, Colorado 80504

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 August 13, 2007, 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 August 13, 2007.** 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 **August 13, 2007, the Applicant may request that an administrative hearing be scheduled during the week of August 13, 2007.** 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
July 29, 2007

Attorney for Applicant:
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