

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NOS. 139 & 440
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS IN THE PARACHUTE AND RULISON) DOCKET NO. 0702-SP-06
FIELDS, GARFIELD COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On February 21, 1995, the Commission issued Order Nos. 139-28 and 440-16, which among other things, allowed up to eight (8) wells per 320-acre drilling and spacing unit for certain lands, including Section 11, Township 7 South, Range 95 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation of the Mesaverde Group.

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. Section 11, Township 7 South, Range 95 West, 6th P.M. is subject to this rule for the Iles Formation.

On November 20, 2006, EnCana Oil & Gas (USA) Inc., by its attorney, filed with the Commission a verified application for an order to establish a 320-acre drilling and spacing unit consisting of the E½ of Section 11, Township 7 South, Range 95 West, 6th P.M. for production from the Iles Formation, consistent with the unit established for the Williams Fork Formation. In addition the order should vacate the 320-acre drilling and spacing unit consisting of W½ of Section 11, Township 7 South, Range 95 West, 6th P.M. established in Order Nos. 139-28 and 440-16 for the Williams Fork Formation, and establish two (2) 160-acre drilling and spacing units consisting of the NW¼ and SW¼ for said Section 11 for production from the Williams Fork and Iles Formations, allowing the equivalent of one (1) well per 20 acres.

That as to all future Williams Fork Formation and Iles Formation wells to be drilled upon the application lands, each well may be located anywhere downhole in the established drilling and spacing unit but no closer than two hundred (200) feet from the boundaries of the unit and four hundred (400) feet from any existing Williams Fork Formation well, without exception being granted by the Director of the Oil and Gas Conservation Commission.

That all Williams Fork Formation and Iles Formation wells drilled upon the application lands will be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter quarter section unless exception is granted by the Director of the Colorado Oil and Gas Conservation Commission. In addition, wells drilled to the Iles Formation may only be drilled and completed in connection with drilling of wells to the Williams Fork 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, February 12, 2007
Tuesday, February 13, 2007

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 January 29, 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 January 29, 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 **January 29, 2007, the Applicant may request that an administrative hearing be scheduled for the week of January 29, 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
January 12, 2007

Attorney for Applicant:
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