

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

IN THE MATTER OF THE PROMULGATION AND)	CAUSE NO. 112
ESTABLISHMENT OF FIELD RULES TO GOVERN)	
OPERATIONS IN THE IGNACIO-BLANCO FIELD,)	DOCKET NO. 0701-EX-02
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 among other things, established 320-acre drilling and spacing units for the production of gas and associated hydrocarbons from the Fruitland coal seams including Section 8, Township 34 North, Range 7 West, N.M.P.M., with the units consisting of the N½ and S½ or the E½ and W½ of a full section with the permitted well located, when north of the north line of Township 32 North, in the NW¼ and SE¼ of the section, and when south of the north line of Township 32 North, in the NE¼ and SW¼ of the section, and no closer than 990 feet to any outer boundary of the unit, or closer than 130 feet to any interior quarter section line.

On July 11, 2000, the Commission issued Order No. 112-156, which among other things, amended Order Nos. 112-60, 112-61 and 112-85 to allow an optional additional well to be drilled for production of gas from the Fruitland coal seams for certain lands, including Section 8, Township 34 North, Range 7 West, N.M.P.M.

On November 20, 2006, BP America Production Company ("BP") by its attorney, filed with the Commission a verified application for an order to allow a sidetrack operation of an existing well to allow two (2) horizontal legs to be drilled in the 320-acre drilling and spacing unit consisting of the E½ of Section 8, Township 34 North, Range 7 West, N.M.P.M. The Bush Federal GU #2 Well, a vertical well, currently exists in the E½ 320-acre unit and is located 1000 feet from the north line and 1160 feet from the east line in the NE¼ of Section 8, Township 34 North, Range 7 West. BP proposes to drill two (2) horizontal sidetracks from the Bush Federal GU #2 Well generally toward the south of said drilling and spacing unit with proposed bottomhole location(s) in the SE¼ of Section 8, no closer than 660 feet from the outer boundaries of Section 8, with no interior line setback. The Applicant requests the right to produce from the two (2) existing vertical wells in the drilling and spacing unit and from both horizontal sidetrack wellbores located in the 320-acre drilling and spacing unit. All owners in the 320-acre spacing unit are common and no violation of correlative rights exists by allowing the sidetrack operation wells to be produced from the E½ of Section 8.

Date: Monday, January 8, 2007
Tuesday, January 9, 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 December 22, 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 December 26, 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 **December 22, 2006, the Applicant may request that an administrative hearing be scheduled for the week of December 26, 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
November 29, 2006

Attorney for Applicant:
Michael J. Wozniak
Beatty & Wozniak, P.C.
216 Sixteenth Street, Suite 110
Denver, CO 80202
(303) 407-4466