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

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IN THE MATTER OF THE PROMULGATION AND ESTABLISHMENT OF FIELD RULES TO GOVERN OPERATIONS IN IGNACIO-BLANCO FIELD, ARCHULETA AND LA PLATA COUNTIES, COLORADO CAUSE NO. 112

DOCKET NO. 0707-AW-19

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 production of gas from the Fruitland coal seams, with the permitted well to be located no closer than 990 feet to any outer boundary of the unit, nor closer than 130 feet to any interior quarter section line, including certain lands in Township 32 North, Ranges 5 and 6 West, N.M.P.M.

On May 15, 2000 the Commission issued Order No. 112-157, which among other things, allowed an optional second Fruitland coal seam well to be drilled in each 320-acre drilling and spacing unit with such additional well being located no closer than 990 feet to any outer boundary of the unit, nor closer than 130 feet to any interior quarter section line, including certain lands in Township 32 North, Ranges 5 and 6 West, N.M.P.M.

On June 1, 2007, Energen Resources Corporation and Gosney & Sons, Inc., by their attorney, filed with the Commission a verified application for an order to allow up to four (4) wells to be optionally drilled in each approximate 320-acre drilling and spacing unit for the below-listed lands, (but nonetheless maintaining a well density of one (1) well per 80 acres for the irregular sections abutting the New Mexico state line) with the permitted well to be located no closer than 660 feet from the outer boundary of the unit with no interior quarter section line setback. The surface location for each of the additional wells shall be located on a common or extended pad such that a total of four Fruitland coal surface well pads shall be authorized in each governmental section.

Township 32 North Range 5 West, N.M.P.M.Section 6: $S\frac{1}{2}$ Section 18: $S\frac{1}{2}$ Section 19: $W\frac{1}{2}$, $W\frac{1}{2}$ E $\frac{1}{2}$

Township 32 North Range 6 West, N.M.P.M.

 Section 1:
 S'_2

 Section 4:
 E'_2 , W'_2

 Section 5:
 N'_2

 Section 14:
 S'_2

 Section 15:
 E'_2

 Section 22:
 E'_2 NE $^{1}_4$

 Section 23:
 E'_2 , W'_2

 Section 24:
 W'_2 W'_2 , E'_2 W'_2 , E'_2

Applicants propose that optional third and fourth wells in each 320-acre unit or with respect to any previously authorized undrilled parent wells, whether such wells are directional or horizontal completions, be completed or recompleted in the operator's discretion with the bottomhole no closer than 660 feet to any outer boundary of the unit and with no setback required to any interior quarter section line.

Applicants further state that the requested wells can be developed in a manner consistent with protection of public health, safety and welfare.

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, July 23, 2007 Tuesday, July 24, 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 July 09, 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 July 09, 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 July 09, 2007, the Applicant may request that an administrative hearing be scheduled during the week of July 09, 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 June 14, 2007 Attorney for Applicant: Michael J. Wozniak Beatty & Wozniak, P.C. 216 Sixteenth Street, Suite 110 Denver, CO 80202 (303) 407-4466