BEFORE THE OIL AND 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 THE WATTENBERG FIELD, WELD COUNTY, COLORADO CAUSE NO. 1

DOCKET NO. 0705-AW-11

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On September 29, 1993, the Commission issued Order No. 1-41, which designated the N¹/₂ of Section 8, Township 1 North, Range 68 West, 6th P.M. as a high density area and imposed the following Rule 603. requirements in place at the time for any well drilled in the above-described lands:

- A. Surface locations of wellheads shall be located not less than 350 feet from any dwelling or facility as defined above.
- B. Production tanks and/or associated on-site production equipment shall be located not less than 350 feet from any dwelling or facility as defined above.
- C. All pumps, pits, wellheads and production facilities shall be adequately fenced to prevent access by unauthorized persons.
- D. Each Survey plat accompanying an Application for Permit-to-Drill shall, in addition to the requirements of Rule 303, include the following information:
 - 1. All visible improvements within 350 feet of a well location must be physically tied in and plotted on the survey plat with a horizontal distance to the well location. Visible improvements include all dwellings and facilities as described above, public roads, major above-ground utility lines, railroads, pipelines, mines, oil or gas wells, injection wells, water wells, bodies of water, and natural channels through which water may flow. Surface uses must be described, and all surface property boundaries defined.
 - 2. An 8.5" x 11" copy of the most current 1:24,000 scale topographic map of the area.
 - 3. A lease map showing all individual leases in the drilling unit, identifying the lessee, lessor and surface ownership.
- E. Any equipment used in the drilling, completion or production of a well shall comply with C.R.S. 25-12-103, Maximum Permissible Noise Levels.
- F. All operations associated with the drilling, completion or production of a well shall comply with C.R.S. 25-7-101, Colorado Air Quality Control Act, as it applied to fugitive dust and venting or flaring of natural gas.
- G. If applicable, and where possible, development or multiple reservoirs by drilling on existing pads or by multiple completions or commingling in existing wellbores is required.
- H. All other setbacks or safety requirements set out in the Colorado Oil and Gas Conservation Commission Rules and Regulations shall apply.

2(a). Exceptions to the location requirements set out in 1(A) and 1(B) may be granted by the Director if a copy of waivers from each owner of a dwelling or facility within 350 feet of the proposed location is submitted as part of the Application for Permit-to-Drill, and the proposed location complies with other safety requirements of the Rules and Regulations. An election by the owner to build a house less than 350 feet from an existing well, constitutes an election to waive the 350 foot setback rule.

On March 20, 2007, Kerr-McGee Oil & Gas Onshore LP, by its attorney, filed with the Commission a verified application for an order to vacate Order No. 1-41 and allow the drilling of wells in conformity with Rule 318A. and any applicable orders in Cause No. 232 or, in the alternative, grant an exception to the location requirements set out in Order No. 1-41, as provided in Commission Rule 603.e.(6) of the Rules and Regulations of the Colorado Oil and Gas Conservation Commission. Applicant contends that the N¹/₂ of Section 8, Township 1 North, Range 68 West, 6th P.M. is not a high density area as defined by the Commission rules.

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:

Friday, May 11, 2007

9:00 a.m.

Time:

Place: Suite 801, The Chancery Building 1120 Lincoln Street Denver, Colorado 80203

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 April 26, 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 April 26, 2007 through May 3, 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 interventions be filed in this matter by April 26, 2007 through May 3, 2007. In accordance with the practices of the Commission, should no protests or interventions be filed in this matter by April 26, 2007 through May 3, 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 March 30, 2007

Attorney's for Applicant: David R. Little Christopher G. Hayes Bjork Lindley Little PC 1600 Stout Street, Suite 1400 Denver, Colorado 80202 (303) 892-1400