

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

IN THE MATTER OF THE PROMULGATION	)	CAUSE NO. 112
AND ESTABLISHMENT OF FIELD RULES TO	)	
GOVERN OPERATIONS IN THE IGNACIO-	)	DOCKET NO. 1004-UP-21
BLANCO FIELD, ARCHULETTA COUNTY,	)	
COLORADO	)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Pursuant to C.R.S. §34-60-116(1) through (5), the Colorado Oil and Gas Conservation Commission ("Commission") has the authority to establish drilling and spacing units ("drilling units") to prevent or assist in preventing waste, to avoid the drilling of unnecessary wells, or to protect correlative rights. When two or more separately owned tracts are embraced within a drilling unit, or when there are separately owned interests in all or a part of the drilling unit the persons owning such interests may pool their interests for the development and operation of the drilling unit. §34-60-116(6), C.R.S. (2009). In the absence of voluntary pooling, the Commission, upon the application of any interested person, may enter an order pooling all interests in the drilling unit for the development and operation of the drilling unit.

Effective June 15, 1988, the Commission issued Order No. 112-60 which established 320-acre drilling units for the production of gas and associated hydrocarbons from the Fruitland coal seams, underlying certain lands in the Ignacio-Blanco Field, with the permitted well when South of the Ute Line to be located in the NE¼ and the SW¼ of each section and when North of the Ute Line to be located in the NW¼ and SE¼ of each section, no closer than 990 feet from the boundaries of the quarter section, nor closer than 130 feet to any interior quarter section line. Order Nos. 112-61 and 112-85 were subsequently adopted amending Order No. 112-60 to establish additional field rules for the Fruitland coal seams. The following lands ("Application Lands") are subject to these orders:

Township 32 North, Range 6 West, N.M.P.M.  
Section 1: S½

Effective February 12, 2002, the Commission entered Order No. 112-162, which pooled the Application Lands for the development and operation of the Fruitland coal seams.

Effective July 23, 2007, the Commission entered Order No. 112-204, which authorized the optional drilling of two additional Fruitland Coal seam wells on the Application Lands.

On February 3, 2010, Willard Seibel, trustee of the Willard H. Seibel Revocable Trust, and Betty Seibel, trustee of the Betty Seibel Revocable Trust, ("Seibels"), by their attorney, filed with the Commission a verified application for an order to declare that Order No. 112-62, by its terms, force pooled the Seibels' unleased mineral interest in the pooled drilling unit only as to the Swanemyr #32-6-1 Well. Alternatively, the Seibels seek a declaration that the Commission lacked the authority to force pool the Seibels' unleased mineral interests for more than one well at a time absent compliance by the force pooling applicant with all conditions precedent to force pooling, specifically, an offer to bear their proportionate share of the costs and risks of drilling and operating each additional well in the drilling and unit.

During the period of cost recovery provided by (7) of C.R.S. §34-60-116, the Commission retains jurisdiction to determine the reasonableness of costs of well operations attributable to the interest of a nonconsenting owner. Seibels may request an accounting of the costs associated with one or more wells drilled on the Application Lands.

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: Thursday, April 29, 2010  
Friday, April 30, 2010

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. 5139, 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 April 15, 2010, 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 13 copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of April 19, 2010.** Pursuant to Rule 503.g., 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 **April 15, 2010, the Applicant may request that an administrative hearing be scheduled during the week of April 19, 2010.** In the alternative, pursuant to Rule 511., 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 \_\_\_\_\_  
Carol Harmon, Secretary

Dated at Suite 801  
1120 Lincoln Street  
Denver, Colorado 80203  
March 29, 2010

Attorneys for Applicant:  
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