

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

IN THE MATTER OF THE PROMULGATION AND)	CAUSE NO. 1
ESTABLISHMENT OF FIELD RULES TO GOVERN)	
OPERATIONS IN THE IGNACIO-BLANCO FIELD,)	DOCKET NO. 1008-GA-09
LAPLATA COUNTY, COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Section 34-60-118.5(2)(a), C.R.S., provides in pertinent part that, unless otherwise agreed to, payments of proceeds derived from the sale of oil, gas, or associated products shall be paid by a payor to a payee commencing not later than six months after the end of the month in which production is first sold, and, thereafter, such payments shall be made on a monthly basis not later than 60 days for oil and 90 days for gas and associated products following the end of the calendar month in which subsequent production is sold. Further, § 34-60-118.5(5) provides that, absent a bona fide dispute over the interpretation of a contract for payment, the Commission shall have jurisdiction to determine the date on which payment of proceeds is due a payee, the existence or nonexistence of an occurrence which would justifiably cause a delay in payment, and the amount of the proceeds plus interest, if any such amounts are due a payee by a payor.

Rule 503.b.(8) of the Oil and Gas Conservation Commission authorizes the mineral interest owner to seek a Commission hearing on provisions related to the measurement of oil, gas, and associated products pursuant to Rule 328 or 329, to include the reconciliation of sales.

On June 17, 1988, the Commission issued Order No. 112-60, which among other things, established 320-acre drilling and spacing units for certain lands, including Sections 1U and 12U, Township 34 North, Range 7 West, N.M.P.M. (SUL), for the production of gas from the Fruitland coal seams, with the permitted well to located no closer than 990 feet to any outer unit boundary and no closer than 130 feet to any interior quarter section line.

On August 15, 1988, the Commission issued Order No. 112-61, which among things, amended Order No. 112-60 to incorporate the fractional sections south of the SUL in Township 34 North with the 320-acre drilling and spacing units in the full section to the south. Section 1U, Township 34 North, Range 7 West, N.M.P.M. (SUL) is a fractional section which is adjacent to, and north of, Section 12U, Township 34 North, Range 7 West, N.M.P.M. (SUL).

On April 24, 2000, the Commission issued Order No. 112-157, which among other things, authorized the drilling of a second optional well in certain 320-acre drilling and spacing units, including Sections 1U and 12U, Township 34 North, Range 7 West, N.M.P.M. (SUL), for the production of gas from the Fruitland coal seams, with the permitted well to located no closer than 990 feet to any outer unit boundary and no closer than 130 feet to any interior quarter section line.

On October 31, 2005, the Commission issued Order No. 112-181, which among other things, authorized the drilling of up to four optional wells in certain 320-acre drilling and spacing units, including Section 12U, Township 34 North, Range 7 West, N.M.P.M. (SUL), for the production of gas from the Fruitland coal seams, with the permitted well to located no closer than 660 feet from the unit boundary with no interior section line setback.

On March 27, 2002, Samson Resources Company ("Samson") completed the Echols-Ute #1-12U Well (API # 05-067-06859) in the NW¼ NW¼ of Section 12U, Township 34 North, Range 7 West, N.M.P.M. (SUL) in the Fruitland coal seams. On May 27, 2003, Samson completed the SE Bayfield 34-7 #12U-1 Well (API # 05-067-08754) in the SW¼ NE¼ of said Section 12U in the Fruitland coal seams. On September 14, 2006, Samson completed the Echols Unit #2-12U Well (API #05-067-09168) in the NW¼ NW¼ of said Section 12U in the Fruitland coal seams. These wells are referred to collectively as the "Wells".

On April 14, 2010, Lois Hood, the owner of mineral interests underlying Section 1U, Township 34 North, Range 7 West, N.M.P.M. (SUL), by her attorney, filed a written request for a Commission hearing, related to the measurement of oil, gas, and associated products pursuant to Rule 328 or 329, to include the reconciliation of sales, alleging that neither Samson nor BP America Production Company have made any production payments to her for production taken from the Wells.

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, August 12, 2010
Friday, August 13, 2010

Time: 9:00 a.m.

Place: TBD

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 July 29, 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 August 2, 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 **July 29, 2010, the Applicant may request that an administrative hearing be scheduled during the week of August 2, 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
July 11, 2010

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