

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 WATTENBERG FIELD,) DOCKET NO. 1008-GA-10
WELD 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), C.R.S., 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 February 19, 1992, the Commission issued Order No. 407-87 (amended August 20, 1993), which among other things, established 80-acre drilling and spacing units for the production of oil and/or gas from the Codell and Niobrara Formations underlying certain lands, including Section 24, Township 6 North, Range 64 West, 6th P.M., with the permitted well locations in accordance with the provisions of Order No. 407-1.

On March 3, 2007, Petro-Canada Resources (USA) Inc. ("Petro-Canada") completed the Roth #24-21 Well (API # 05-123-24578) in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 24, Township 6 North, Range 64 West, 6th P.M. in the Codell and Niobrara Formations within the 80-acre drilling and spacing unit designated for the E $\frac{1}{2}$ NW $\frac{1}{4}$ of said Section 24. On October 3, 2007, Petro-Canada completed the Peppler #24-32 Well (API # 05-123-26192) in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 24 in the Codell and Niobrara Formations within the 80-acre drilling and spacing unit designated for the W $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 24. The two wells are known collectively as the "Wells".

On June 18, 2010, Treasure Resources, Inc., the owner of mineral interests underlying Section 24, Township 6 North, Range 64 West, 6th P.M., by its 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 Petro-Canada nor Noble Energy, Inc. have made any production payments to it 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 8, 2010

Attorney for Applicant:
James F. English
Martin, Lubitz & Hyman, LLC
370 Seventeenth Street, Suite 4400
Denver, Colorado 80202
(303) 382-1200