

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

IN THE MATTER OF THE PROMULGATION AND)	CAUSE NO. 440
ESTABLISHMENT OF FIELD RULES TO GOVERN)	
OPERATIONS IN AN PARACHUTE FIELD,)	DOCKET NO. 1006-AW-03
GARFIELD COUNTY, COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On June 26, 1962, the Commission entered Order No. 139-3, which among other things, established 640-acre drilling and spacing units for Sections 11, 15, 22, and 27 through 32, Township 7 South, Range 95 West, 6th P.M. and Sections 25 and 36, Township 7 South, Range 96 West, 6th P.M., for the production of gas from the Mesaverde Formation, with the permitted well to be drilled no closer than 600 feet from the section line.

On April 19, 1990, the Commission entered Order No. 440-12, which among other things, established 320-acre drilling and spacing units for Sections 11 and 15, Township 7 South, Range 95 West, 6th P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation, with approved wells to be located no closer than 600 feet from the boundaries of the unit and no closer than 1200 feet from any well producing or producible from the same formation.

On February 21, 1995 (amended April 26, 1995 and corrected February 21, 2000), the Commission entered Order Nos. 139-28 and 440-16, which among other things, approved of up to eight wells to be drilled in the previously established 320-acre drilling and spacing units for Section 11, Township 7 South, Range 95 West, 6th P.M., for production from the Williams Fork Formation of the Mesaverde Group, with the permitted well to be located no closer than 400 feet from the boundaries of the unit and no closer than 800 feet from any existing Williams Fork Formation well.

On July 1, 1997, the Commission entered Order Nos. 139-31 and 440-18, which among other things, approved of up to eight wells to be drilled in the previously established 320-acre drilling and spacing units for Sections 15, 22, and 27 through 32, Township 7 South, Range 95 West, 6th P.M. and Sections 25 and 36, Township 7 South, Range 96 West, 6th P.M., for production from the Williams Fork Formation of the Mesaverde Group, with the permitted well to be located no closer than 400 feet from the boundaries of the unit and no closer than 800 feet from any existing Williams Fork Formation well.

On January 10, 2005, the Commission entered Order No. 139-44, which among other things, approved the equivalent of one well per 20 acres well density for Sections 30 and 31, Township 7 South, Range 95 West, 6th P.M. and Sections 25 and 36, Township 7 South, Range 96 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation, with the permitted well to be located no closer than 200 feet from the boundaries of the unit and no closer than 400 feet from any existing Williams Fork Formation well.

On March 22, 2005, the Commission entered Order No. 139-46, which among other things, approved the equivalent of one well per 20 acres well density for Sections 30 and 31, Township 7 South, Range 95 West, 6th P.M. and Sections 25 and 36, Township 7 South, Range 96 West, 6th P.M., for the production of gas and associated hydrocarbons from the Iles Formation, with the permitted well to be located no closer than 200 feet from the boundaries of the unit and no closer than 400 feet from any existing Iles Formation well.

On July 11, 2005, the Commission entered Order No. 139-48, which among other things, approved the equivalent of one well per 20 acres well density for the 640-acre drilling and spacing units established for Section 28 and 29, Township 7 South, Range 95 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formation, with the permitted well to be located no closer than 200 feet from the boundaries of the unit and no closer than 400 feet from any existing Williams Fork or Iles Formation well.

On March 20, 2006, the Commission entered Order No. 139-55, which among other things, established a 160-acre drilling and spacing unit the N½ N½ of Section 32, Township 7 South, Range 95 West, 6th P.M., and approved of up to eight wells to be drilled in the unit, for the

production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, with the permitted well to be located no closer than 200 feet from the boundaries of the unit and no closer than 400 feet from any existing Williams Fork or Iles Formation well.

On April 24, 2006, the Commission entered Order No. 440-32, which among other things, approved the equivalent of one well per 20 acres well density in the previously established 320-acre drilling and spacing units for the W½ of Section 15, Township 7 South, Range 95 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork Formation, with the permitted well to be located no closer than 200 feet from the boundaries of the unit and no closer than 400 feet from any existing Williams Fork Formation well.

On February 12, 2007, the Commission entered Order Nos. 139-71 and 440-41, which among other things, established: (1) a 320-acre drilling and spacing unit for the E½ of Section 11, Township 7 South, Range 95 West, 6th P.M., and approved of the equivalent of one well per 20 acres well density for said unit, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, with the permitted well to be located no closer than 200 feet from the boundaries of the unit and no closer than 400 feet from any existing Williams Fork or Iles Formation well, and (2) two 160-acre drilling and spacing units for the NW SW of Section 11, Township 7 South, Range 95 West, 6th P.M., and approved of the equivalent of one well per 20 acres well density for said unit, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, with the permitted well to be located no closer than 200 feet from the boundaries of the unit and no closer than 400 feet from any existing Williams Fork or Iles Formation well.

On August 28, 2007, the Commission entered Order No. 440-49, which among other things, established sixteen 40-acre drilling and spacing units for Section 22, Township 7 South, Range 95 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, with the permitted well to be located no closer than 200 feet from the boundaries of the unit and no closer than 400 feet from any existing Williams Fork or Iles Formation well.

On November 5, 2007, the Commission entered Order No. 440-50, which among other things, established a 320-acre drilling and spacing unit for the E½ of Section 15, Township 7 South, Range 95 West, 6th P.M., and approved of the equivalent of one well per 20 acres well density, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, with the permitted well to be located no closer than 200 feet from the boundaries of the unit and no closer than 400 feet from any existing Williams Fork or Iles Formation well.

On April 12, 2010, EnCana Oil & Gas (USA) Inc., by its attorneys, filed with the Commission a verified application for an order to approve the equivalent of one well per 10 acres well density for the below-described lands, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, with setback and development rules described below:

<u>Township 7 South, Range 95 West, 6th P.M.</u>	
Section 11:	E½ and SW¼
Section 15:	All, except NE¼ SW¼
Section 22:	N½ NW¼, SW¼ NW¼, SW¼, N½ NE¼, and SE¼ NE¼
Section 27:	All
Section 28:	All
Section 29:	All
Section 30:	All
Section 31:	All
Section 32:	N½ N½

<u>Township 7 South, Range 96 West, 6th P.M.</u>	
Section 25:	All
Section 36:	All

All future Williams Fork and Iles Formation wells to be drilled upon the application lands should be located downhole anywhere in the application lands but no closer than 100 feet from the boundaries of the unit without exception being granted by the Director of the Commission. It is provided however that in cases where the lands abut or corner lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill 10-acre density Williams Fork or Iles Formation wells, the well should be located downhole no closer than

200 feet from the boundary or boundaries of the drilling unit so abutting or cornering such lands without exception being granted by the Director of the Commission.

That, except as previously authorized by order of the Commission, wells to be drilled under this order should be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter quarter section (or lots or parcels approximately equivalent thereto) and that Iles Formation wells shall be drilled and completed only in association with the drilling and completing of wells in the Williams Fork Formation, unless exception is granted by the Commission pursuant to application made for such exception.

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: Tuesday, June 1, 2010
Wednesday, June 2, 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 May 17, 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 May 17, 2010.** 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 **May 17, 2010, the Applicant may request that an administrative hearing be scheduled during the week of May 17, 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
May 6, 2010

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