

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 318
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS IN THE REPUBLICAN FIELD,) DOCKET NO. 1006-SP-16
YUMA COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On November 21, 1977, the Commission issued Order No. 318-2, which among other things, established 640-acre drilling and spacing units for certain lands, including Section 18, Township 1 North, Range 44 West, 6th P.M., for the production of gas from the Niobrara Formation, with the permitted well to be located no closer than 990 feet from the boundaries of unit.

On August 21, 1978, the Commission issued Order No. 318-3, which among other things, established 160-acre drilling and spacing units for certain lands, including the SW $\frac{1}{4}$ of Section 18, Township 1 North, Range 44 West, 6th P.M., for the production of gas from the Niobrara Formation, with the permitted well to be located no closer than 900 feet from the boundaries of the unit.

On June 20, 1994, the Commission issued Order No. 318-5, which among other things, approved an additional well for certain drilling and spacing units, including the SW $\frac{1}{4}$ of Section 18, Township 1 North, Range 44 West, 6th P.M., for the production of gas from the Niobrara Formation, with any additional well to be located no closer than 560 feet from the boundaries of the unit.

On July 30, 2006, the Commission adopted Rule 318B., for certain lands, including the SW $\frac{1}{4}$ of Section 18, Township 1 North, Range 44 West, 6th P.M., for wells drilled and completed in the Niobrara Formation. Rule 318B. provides that:

- (1) Four Niobrara Formation wells may be drilled in any quarter section.
- (2) No more than one well may be located in any quarter section.
- (3) No minimum distance shall be required between wells producing from the Niobrara Formation.

(4) Wells shall be located at least 300 feet from the boundary of the quarter section, and any well shall be located no less than 900 feet from any producible well drilled to the Niobrara Formation prior to July 30, 2006 that is located in a contiguous or cornering quarter section.

On April 10, 2010, Augustus Energy Partners, LLC, by its attorneys, filed with the Commission a verified application to:

- (1) Vacate the existing 160-acre drilling and spacing unit established for the SW $\frac{1}{4}$ of Section 18, Township 1 North, Range 44 West, 6th P.M., for the production of gas and associated hydrocarbons from the Niobrara Formation;
- (2) Establish two stand-up approximately 80-acre drilling and spacing units for the E $\frac{1}{2}$ SW $\frac{1}{4}$ and the W $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 18, for the production of gas and associated hydrocarbons from the Niobrara Formation, with setback and development rules in accordance with Rule 318B.

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 7, 2010

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