

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

IN THE MATTER OF THE PROMULGATION AND)	CAUSE NO. 139
ESTABLISHMENT OF FIELD RULES TO GOVERN)	
OPERATIONS IN THE RULISON FIELD,)	DOCKET NO. 1006-SP-17
GARFIELD COUNTY, COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On May 25, 2007, the Commission issued Order No. 139-73, which among other things, established 40-acre drilling and spacing units for certain lands, including Section 18, Township 7 South, Range 94 West, 6th P.M., and approved one well per 10 acres for said units, 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 100 feet from the unit boundary and no closer than 200 feet from the unit boundaries where 10-acre density drilling has not been allowed.

On April 5, 2010, Laramie Energy II, LLC, by its attorney, filed with the Commission a verified application for an order to:

(1) Vacate the existing 40-acre drilling and spacing units contained within Lot 1 (26.34 acres), Lot 2 (25.53 acres), and the S½ NE¼ of Section 18, Township 7 South, Range 94 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations;

(2) Establish an approximate 131.87-acre drilling and spacing unit for Lot 1 (26.34 acres), Lot 2 (25.53 acres), and the S½ NE¼ of Section 18, Township 7 South, Range 94 West, 6th P.M., with the continuing approval of 10-acre equivalent well density, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, with setback and development rules described below:

All future Williams Fork and Iles Formation wells to be drilled upon said drilling and spacing unit should be located downhole anywhere in the drilling and spacing unit 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 and 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.

(3) As is provided for by Rule 318.a., those lands located in the N½ NE¼ of Section 18, Township 7 South, Range 94 West, 6th P.M. which are not within Lot 1 and Lot 2 of said Section 18, are to be considered unspaced and continue to be approved for 10-acre equivalent well density, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations, with setback and development rules described below:

All future Williams Fork and Iles Formation wells to be drilled upon said lands should be located downhole anywhere upon such lands but no closer than 100 feet from the boundaries of such lands or any lease boundary within such lands 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 Formation wells, the well should be located downhole no closer than 200 feet from the boundary or boundaries of the lands or lease boundaries 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 5, 2010

Attorney for Applicant:
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