

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

IN THE MATTER OF THE PROMULGATION AND ) CAUSE NO. 112  
ESTABLISHMENT OF FIELD RULES TO GOVERN )  
OPERATIONS IN THE IGNACIO-BLANCO FIELD, ) DOCKET NO. 1010-UP-57  
LAPLATA COUNTY, COLORADO )

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Section 34-60-116(6), C.R.S., provides in pertinent part that, in the absence of voluntary pooling, the commission, upon the application of any interested person, may enter an order pooling all interests in the drilling unit for the development and operation thereof. Each such pooling order shall be made after notice and hearing and shall be upon terms and conditions that are just and reasonable, and that afford to the owner of each tract or interest in the drilling unit the opportunity to recover or receive, without unnecessary expense, his just and equitable share.

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, SG Interests I, Ltd., predecessor-in-interest to 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. (S.U.L.) in the Fruitland coal seams. On May 27, 2003, SG Interests I, Ltd., predecessor-in-interest to 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 September 1, 2010, BP America Production ("Applicant") and Lois Hood ("Co-Applicant"), the owner of mineral interests underlying Section 1U, Township 34 North, Range 7 West, N.M.P.M. (S.U.L.), by their attorneys, filed a verified application to pool all nonconsenting interests in the Fruitland coal seams in the existing drilling and spacing unit (under Order No. 112-61) comprised of the below-listed lands:

Township 34 North, Range 7 West, N.M.P.M. (S.U.L.)  
Section 1U: All (fractional section consisting of 77.88 acres, more or less)  
Section 12U: N½ (320 acres, more or less)

La Plata County, Colorado

Applicant does not seek to pool the interest of the Southern Ute Indian Tribe, owners of leased minerals in the W½ NE¼ of above-described Section 12U. Applicant requests that the interest of Samson Resources Company, lessee of the N½ of above-described Section 12U, be pooled.

Applicant and Co-Applicant request the pooling order be made effective retroactively to the date of commencement of operations on the Echols Ute 1-12 Well (API No. 05-067-06859), which was completed on or about March 27, 2002.

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, October 21, 2010  
Friday, October 22, 2010

Time: 9:00 a.m.

Place: West Garfield Campus, Colorado Mountain College  
3695 Airport Road  
Rifle, Colorado 81650

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 October 6, 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 October 11, 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 **October 6, 2010, the Applicant may request that an administrative hearing be scheduled during the week of October 11, 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  
September 26, 2010

Attorney for Applicant:  
Thomas W. Niebrugge  
Lindquist & Venum PLLP  
600 17th Street, Suite 1800 South  
Denver, CO 80202  
(303) 573-5900

Attorney for Co-Applicant:  
Jeffery P. Robbins  
679 East 2<sup>nd</sup> Avenue, Suite C  
P.O. Box 2270  
Durango, Colorado 81302  
(970) 259-8747