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

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IN THE MATTER OF THE PROMULGATION AND ESTABLISHMENT OF FIELD RULES TO GOVERN OPERATIONS IN THE LEFT HAND FIELD, KIOWA COUNTY, COLORADO CAUSE NO. 252

DOCKET NO. 1003-UP-16

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply. The SW¼ of Section 21, Township 18 South, Range 47 West, 6th P.M. is subject to this Rule for the Marmaton Formation.

On February 3, 2010, Bayhorse Petroleum, LLC ("Bayhorse"), by its attorney, filed with the Commission a separate application for an order to establish two approximate 80-acre drilling and spacing units for the N½ SW¼ and the S½ SW¼ of Section 21, Township 18 South, Range 47 West, 6th P.M., for the production of oil and associated hydrocarbons from the Marmaton Formation.

Bayhorse requests that, as to all future Marmaton Formation wells to be drilled upon the proposed drilling and spacing units, the permitted well should be located downhole anywhere in the drilling and spacing unit but no closer than 600 feet from the boundaries of the unit without exception being granted by the Director of the Oil and Gas Conservation Commission.

That, except as previously authorized by order of the Commission, wells to be drilled under this application will 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) unless exception is granted by the Director of the Colorado Oil and Gas Conservation Commission.

On February 3, 2010, Bayhorse, by its attorney, filed with the Commission a verified application to pool all nonconsenting interests in the proposed two approximate 80-acre drilling and spacing units for the N¹/₂ SW¹/₄ and the S¹/₂ SW¹/₄ of Section 21, Township 18 South, Range 47 West, 6th P.M., for the development and operation of the Marmaton Formation. Further, it is alleged by Bayhorse that it intends to drill and produce the Trade Winds #1-21 Well in the S¹/₂ SW¹/₄ of Section 21, Township 18 South, Range 47 West, 6th P.M.

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, March 25, 2010 Friday, March 26, 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 March 11, 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 March 15, 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 March 11, 2010, the Applicant may request that an administrative hearing be scheduled during the week of March 15, 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 February 26, 2010 Attorneys for Applicant: Kenneth A. Wonstolen/Andrew A. Bremner Beatty & Wozniak, P.C. 216 Sixteenth Street, Suite 1100 Denver, Colorado 80202 (303) 407-4499