

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

IN THE MATTER OF THE PROMULGATION AND	)	CAUSE NO. 404
ESTABLISHMENT OF FIELD RULES TO	)	
GOVERN OPERATIONS IN THE RED MESA	)	DOCKET NO. 1003-UP-19
FIELD, LAPLATA COUNTY, COLORADO	)	

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 SE¼ NW¼ of Section 34, Township 33 North, Range 12 West, N.M.P.M. is subject to this Rule for the Gallup and Dakota Formations.

On January 28, 2010, Red Mesa Holdings/O&G, LLC ("Red Mesa"), by its attorney, filed with the Commission a verified application to establish an approximate 40-acre drilling and spacing unit for the SE¼ NW¼ of Section 34, Township 33 North, Range 12 West, N.M.P.M., for the production of oil and associated hydrocarbons from the Gallup and Dakota Formations, and to pool a nonconsenting interest in said unit, for the development and operation of the Gallup and Dakota Formations. Further, it is alleged by Red Mesa that it intends to drill and produce the KF #2 BT-3 Well within said unit.

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

Attorney for Applicant:  
Thomas P. Dugan  
Dugan & Associates, P.C.  
900 Main Avenue, Suite A  
Durango, Colorado 81301  
(970) 259-1770