

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 GRAND VALLEY FIELD,) DOCKET NO. 1110-SP-128
GAFIELD COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On October 26, 2009, the Commission issued Order No. 139-105, which among other things, established an approximate 40-acre drilling and spacing unit and approved the equivalent of one well per 10-acre well density for the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 3, Township 8 South, Range 96 West, 6th P.M. for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

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 shall be located not less than 600 feet from any lease line, and shall be located not less than 1,200 feet from any other producible or drilling oil and gas well when drilling to the same common source of supply. The SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 3, Township 8 South, Range 96 West of the 6th P.M. is subject to this Rule for the Mancos, Niobrara, Frontier and Mowry Formations ("Deep Formations").

On September 1, 2011, Laramie Energy II, LLC ("Laramie" or "Applicant"), by its attorneys, filed with the Commission a verified application for an order to: 1) establish an approximate 40-acre drilling and spacing unit for the below listed lands ("Application Lands") for development of and production from the Deep Formations; 2) authorize the equivalent of one well per 10 acre density for said unit, for production of oil, gas and associated hydrocarbons from the Deep Formations; and 3) provide that any permitted well to the Deep Formations be located no closer than 600 feet from the unit boundary, unless such boundary abuts or corners lands which the Commission has at the time of drilling permit application granted the right to drill 10-acre density wells for the Deep Formations, in which case, any well to the Deep Formations shall be drilled downhole no closer than 100 feet or the setback footage in such Deep Formations order, whichever is greater, from that portion of the unit boundary which abuts or corners the lands for which 10-acre density downhole drilling for wells to the Deep Formations has been ordered by the Commission, without exception being granted by the Commission:

Township 8 South, Range 96 West, 6th P.M.
Section 3: SE $\frac{1}{4}$ SE $\frac{1}{4}$

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: Monday, October 31, 2011
Tuesday, November 1, 2011
Time: 9:00 a.m.
Place: City of Littleton – Council Chambers
2255 W. Berry Avenue
Littleton, CO 80120

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 17, 2011, 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 17, 2011.** 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 17, the Applicant may request that an administrative hearing be scheduled during the week of October 17.** 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 
Peter J. Gowen, Acting Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
September 30, 2011

Attorney for Applicant:
J. Michael Morgan
Lohf Shaiman Jacobs Hyman & Feiger PC
950 South Cherry Street, Suite 900
Denver, Colorado 80246
(303) 753-9000