

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

IN THE MATTER OF THE PROMULGATION AND)	CAUSE NO. 232, 407, 493,
ESTABLISHMENT OF FIELD RULES TO GOVERN)	and 499
OPERATIONS IN THE WATTENBERG FIELD,)	
WELD COUNTY, COLORADO)	DOCKET NO. 1112-UP-163

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On October 19, 1981, the Commission entered Order No. 232-23, which among other things, established approximate 320-acre drilling and spacing units for certain lands, and approved up to two wells within each unit, including Section 22, Township 5 North, Range 66 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the J-Sand Formation.

On December 19, 1983, the Commission issued Order No. 407-1 (amended March 29, 2000), which among other things, established 80-acre drilling and spacing units for the production of oil and/or gas and associated hydrocarbons from the Codell Formation underlying certain Lands with the unit to be designated by the operator drilling the first well in the quarter section. The permitted well shall be located in the center of either 40-acre tract within the unit with a tolerance of 200 feet in any direction. The operator shall have the option to drill an additional well on the undrilled 40-acre tract in each 80-acre drilling and spacing unit. Section 22, Township 5 North, Range 66 West, 6th P.M. is subject to this Order for the Codell Formation.

On May 21, 1991, the Commission issued Order No. 493-2, which among other things, established approximate 80-acre drilling and spacing units for certain lands, including Section 22, Township 5 North, Range 66 West, 6th P.M., for production of gas and associated hydrocarbons from the Sussex, J-Sand, Dakota, Codell and Niobrara formations.

On February 19, 1992, the Commission issued Order No. 407-87 (amended August 20, 1993), which among other things, established 80-acre drilling and spacing units for the production of oil and/or gas from the Codell and Niobrara Formations underlying certain lands, with the permitted well locations in accordance with the provisions of Order No. 407-1. Section 22, Township 5 North, Range 66 West, 6th P.M. is subject to this Order for the Codell and Niobrara Formations.

On November 16, 1992, the Commission issued Order No. 499-15, which among other things, established 320-acre drilling and spacing units for certain lands, including Section 22, Township 5 North, Range 66 West, 6th P.M., for production of gas and associated hydrocarbons from the Sussex, J-Sand, Dakota, Codell and Niobrara formations.

On April 27, 1998, the Commission adopted Rule 318A., which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. Pursuant to Rule 318A.j., Rule 318A. supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. Rule 318A.d. provides that an operator may allocate production to any drilling and spacing unit with respect to a particular Cretaceous Age Formation consistent with the provisions of Rule 318A. Section 22, Township 5 North, Range 66 West, 6th P.M. is subject to Rule 318A., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formation.

On August 26, 2011, Mineral Resources, Inc. ("Mineral" or "Applicant"), by its attorneys, filed with the Commission a verified application ("Application") for an order to: 1) establish an approximate 160-acre drilling and spacing unit for the below-described lands ("Application Lands") for development of and production hydrocarbons from the Cretaceous formations from the base of the Dakota formation to the surface, to include, but not be limited to, production from the Sussex, J-Sand, Dakota, Codell and Niobrara formations; 2) authorize the production of oil, gas and associated hydrocarbons from the Cretaceous formations from the Application Lands from locations permitted by Rule 318A, and 3) pool all nonconsenting interests in the approximate 160-acre drilling and spacing unit established for the Application Lands, effective as of the earlier of the date of the Application, or the date that any of the costs specified in C.R.S. § 34-60-116(7)(b)(II) were first incurred for the drilling of the well, and to subject any

nonconsenting interests to the cost recovery provisions thereof:

Township 5 North, Range 66 West, 6th P.M.
Section 22: NE¼

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, December 12, 2011
Time: 1:00 p.m.

Tuesday, December 13, 2011
9:00 a.m.

Place: Weld County Administration Building
1150 O Street
Greeley, Colorado 80631

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 November 23, 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 beginning November 23, 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 **November 23, 2011, the Applicant may request that an administrative hearing be scheduled beginning November 23, 2011.** 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
November 4, 2011

Attorneys for Mineral Resources, Inc.:
Thomas J. Kimmell, P.C.
Zarlengo & Kimmell, PC
1775 Sherman Street, Suite 1375
Denver, CO 80203
Phone: 303-832-6204
Fax: 303-832-6401
Email: Kimmell01@aol.com