

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 421
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS IN THE HEREFORD FIELD, WELD) DOCKET NO. 1106-SP-75
COUNTY, COLORADO) CORRECTED FROM 1106-SP-77

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On February 22, 2010, the Commission issued Order No. 421-1, which among other things, established approximate 640-acre drilling and spacing units for certain lands including Sections 9, 10, 14, 15, and 16, Township 11 North, Range 63 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation with no more than one (1) horizontal well to be drilled in each drilling and spacing unit.

On October 8, 2010, EOG Resources, Inc. ("EOG" or "Applicant") filed a verified application requesting that the Commission: (i) establish three exploratory drilling and spacing units, each such unit consisting of approximately 1,280 acres in a "laydown" configuration and allowing the drilling of up to two (2) horizontal wells in each such unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, and (ii) modify Order No. 421-1 to vacate the established 640-acre drilling and spacing units on the following lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation (with the intent to vacate only as to the additional horizontal wells to be drilled in the laydown 1280-acre drilling and spacing units):

Township 11 North, Range 63 West, 6th P.M.
1,280-acre DSU #1: Sections 9 and 10
1,280-acre DSU #2: Sections 14 and 15
1,280-acre DSU #3: Sections 15 and 16

(hereinafter, the "Application Lands").

On January 13, 2011, the Commission issued Order No. 421-4, which among other things, vacated five approximate 640-acre drilling and spacing units established for Sections 9, 10, 14, 15, and 16, Township 11 North, Range 63 West, 6th P.M. under Order No. 421-1, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Order No. 421-4 also established three approximate 1,280-acre laydown drilling and spacing units for certain lands located in said Sections 9, 10, 14, 15, and 16 (with overlapping drilling and spacing units for said Section 15) and approved of up to two horizontal wells within each 1,280-acre drilling and spacing unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

On or about May 25, 2011, the Commission Staff (the "Staff") pulled three of EOG's Applications for Permit-to-Drill ("APDs") for the additional horizontal wells approved by Order No. 421-4 for the Application Lands. Specifically, the Staff pulled the APDs for the Critter Creek #32-10H Well (API #05-123-33354), which is the horizontal well planned for 1,280-acre DSU #1, the Critter Creek #33-15H Well (API #05-123-33355), which is the horizontal well planned for the 1,280-acre DSU #2, and the Critter Creek #34-16H Well (API #05-123-33103), which is the horizontal well planned for the 1,280-acre DSU #3. The Staff's reason for pulling the three APD's was "improper spacing" on the Application Lands by virtue of the contents of Order No. 421-4.

In order to clarify the approved 1,280-acre drilling and spacing units for the Application Lands, and the effect the 1,280-acre drilling and spacing units have on the established 640-acre drilling and spacing units (pursuant to Order No. 421-1), EOG, by its attorneys, filed a verified application (the "Application") requesting that the Commission amend Order No. 421-4 to correctly address the intent and requests included in EOG's October 8, 2010 application as follows:

i. To determine that the purported vacation of the existing 640-acre drilling and spacing units in Order No. 421-4 is null and void and that Order No. 421-1 continues to apply to the 640-acre drilling and spacing units on the Application Lands and to the existing wells therein;

ii. To confirm that the existing 640-acre drilling and spacing units inapplicable only as the additional horizontal well located in each of the approved "rolling" laydown 1,280-acre drilling and spacing units.

iii. To confirm that (a) the "rolling" laydown 1,280-acre drilling and spacing units are governed by Order No. 421-4, (b) the Applicant is allowed up one (1) horizontal well (which does not include any existing horizontal wellbore in an existing 640-acre drilling and spacing unit) in each of the approved 1,280-acre drilling and spacing unit. Because there are overlapping 1,280-acre drilling and spacing units, there will be portions of up to three (3) wellbores that will underlie Section 15, Township 11

North, Range 63 West, 6th P.M. of the Application Lands.

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, June 27, 2011
Tuesday, June 28, 2011

Time: 9:00 a.m.

Place: Elbert County Fairgrounds
Ag Building
95 Ute Avenue
Kiowa, CO 80117

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 June 13, 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 June 13, 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 June 13, 2011, the **Applicant may request that an administrative hearing be scheduled during the week of June 13, 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



Robert A. Willis, Acting Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
May 26, 2011

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