

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

IN THE MATTER OF AN APPLICATION)	CAUSE NO. 1
CONCERNING PAYMENT OF PROCEEDS IN THE)	
WATTENBERG FIELD, WELD COUNTY,)	DOCKET NO. 1105-GA-05
COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Section 34-60-118.5, C.R.S., provides a statutory framework under which the Commission can assert jurisdiction over matters pertaining to payments of proceeds derived from the sale of oil, gas, or associated products such that the proper party receives timely and proper payment.

Section 34-60-118.5(2)(a), C.R.S., provides that payment of proceeds derived from the sale of oil, gas, or associated products shall be paid by a payor to the payee commencing not later than six months after the end of the month in which production is first sold, and, thereafter, on a monthly basis not later than sixty days for oil and ninety days for gas and associated products following the end of the calendar month in which subsequent production is sold. Further, §34-60-118.5(3)(a)(II), C.R.S., provides that the payment deadlines, recited in §34-60-118.5(2)(a), shall be suspended when payments are withheld due to a reasonable doubt by the payor as to the payee's identity, whereabouts, or clear title to an interest in proceeds.

On March 17, 2011, K. P. Kaufman, Inc. ("KPK" or "Applicant"), by its attorneys, filed with the Commission a verified application (the "Application") for an order finding that a condition under which the payment of proceeds shall be suspended exists for the suspension of payments due to reasonable doubt as to the payee's identity, whereabouts, or clear title for an undivided mineral interest in 76.245 acres, consisting of the SE¼ of Section 22, Township 5 North, Range 66 West, 6th P.M., (the "Application Lands"). The Application asserts there is reasonable doubt by the payor as to the payee's identity, whereabouts, or clear title to an interest in proceeds with regard to the following wells located within the Application Lands:

- Strong #1-7 Well, API #05-123-11391
- Strong #2-8 Well, API #05-123-11406
- Strong #3-15 Well, API #05-123-11661
- Strong #4-22 Well, API #05-123-11858

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, May 16, 2011
Tuesday, May 17, 2011

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 May 2, 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 May 2, 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 **May 2, 2011, the Applicant may request that an administrative hearing be scheduled during the week of May 2, 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
April 8, 2011

Attorneys for KPK:
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