

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 RULISON FIELD,)	DOCKET NO. 1105-SP-51
GARFIELD 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 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. Section 34, Township 7 South, Range 96 West, 6th P.M. is subject to this Rule for the Mancos, Niobrara, Frontier, and Mowry Formations (the "Deep Formations").

On October 2, 2007 (corrected November 1, 2007), the Commission entered Order No. 139-80, which among other things, established 40-acre drilling and spacing units for the below-listed lands (the "Application Lands"), for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations:

Township 7 South, Range 96 West, 6th P.M.

Section 34: E $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, and SE $\frac{1}{4}$ NW $\frac{1}{4}$

The Commission approved of the equivalent of one well per 10 acres density for the Application Lands, except the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 34 which was approved for the equivalent of one well per 20 acres density, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formation.

On March 17, 2011, Laramie Energy II, LLC ("Laramie" or "Applicant"), by its attorney, filed with the Commission a verified application for an order to: (1) establish approximate 40-acre drilling and spacing units, consisting of each governmental quarter quarter section, for the Application Lands, for the production of gas and associated hydrocarbons from the Deep Formations; (2) approve of the equivalent of one well per 10 acres density for the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 34, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations; and (3) approve of the equivalent of one well per 10 acres density for the Application Lands, for the production of gas and associated hydrocarbons from the Deep Formations.

All future Williams Fork and Iles Formation wells to be drilled under this application should be located downhole anywhere upon the application lands, but no closer than 100 feet from the boundaries of the unit, or lease line in the unspaced lands, without exception being granted by the Director of the Commission. It is provided however that in cases where the lands abut or corner lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill 10-acre density Williams Fork Formation wells, the well should be located downhole no closer than 200 feet from the boundaries of the unit, or lease line in the unspaced lands, so abutting or cornering such lands, without exception being granted by the Commission.

All future Deep Formation wells to be drilled under this application should be located no closer than 600 feet from the east and west boundaries of the unit, or lease line in the unspaced lands, and no closer than 100 feet from the north or south boundaries of the unit, or lease line in the unspaced lands, unless such north or south boundary abuts or corners lands which have not of drilling permit application been granted the right to drill 10-acre density for the Williams Fork Formation, in which case any well drilled to the Deep Formation shall be drilled downhole no closer than 200 feet from that portion of such north or south unit boundary which so abuts or corners the lands in which 10-acre density for the Williams Fork Formation wells have not been approved by the Commission, without exception being granted by the Commission.

All Iles Formation wells drilled under this application should be drilled only in conjunction with the drilling of a Williams Form Formation well.

Except as previously authorized by order of the Commission, wells to be drilled under this application should be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter quarter section (or lots or parcels approximately equivalent

thereto), unless exception is granted by the Commission pursuant to application made for such exception.

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
March 28, 2011

Attorney for Laramie:
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