

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

IN THE MATTER OF THE PROMULGATION AND)	CAUSE NO. 369 & 407
ESTABLISHMENT OF FIELD RULES TO GOVERN)	
OPERATIONS IN THE BUZZARD CREEK FIELD,)	DOCKET NO. 1201-SP-04
MESA COUNTY, COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On September 22, 2008, the Commission issued Order No. 369-5, which among other things, approved one well per 10 acres for production of gas and associated hydrocarbons from the Williams Fork and Iles Formations. Order 369-5 provides for downhole locations anywhere within designated lands but no closer than 100 feet from a lease line or the boundaries of said designated lands, unless the lands abut or corner lands in respect of which the Commission has not granted 10-acre density to the Williams Fork and Iles Formations, in which case the downhole location is required to be 200 feet from such boundaries. Section 17, Township 9 South, Range 93 West, 6th P.M. is subject to this order.

Rule 318.a. provides that wells to be drilled 2,500 feet in depth or greater shall be located not less than 600 feet from any lease line, and shall not be located less than 1,200 feet from any other producible or drilling well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing. Section 17, Township 9 South, Range 93 West, 6th P.M. is subject to this rule for the Mancos, Niobrara, Frontier and Mowry Formations ("Deep Formations").

On November 23, 2011, Laramie Energy II, LLC ("Laramie" or "Applicant"), by its attorney, filed with the Commission a verified application (the "Application") for an order to: 1) establish one approximate 160-acre drilling and spacing unit for the Williams Fork, Iles and Deep Formations in the below-listed lands ("Application Lands"); 2) approve the equivalent of one well per 10-acres for the Williams Fork and Iles Formations, subject to the well location and setback requirements of Order 369-5; and 3) approve the equivalent of one well per 10-acres for the Deep Formations, for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group, and also the Deep Formations.

Township 9 South, Range 93 West, 6th P.M.
Section 17: SW $\frac{1}{4}$

Laramie requests the Commission allow all future Deep Formation wells in the Application lands to be located downhole anywhere on such lands, but no closer than 600 feet from the boundaries of the unit, unless such boundary abuts or corners lands in respect of which the Commission has, at the time of drilling permit application, granted the right to drill 10-acre density wells in the Deep Formations, in which event any well to such Deep Formations shall be drilled downhole no closer than 100 feet, or the setback footage in such other Deep Formations order, whichever is greater, from that portion of such boundary which so abuts or corners the lands in respect of which 10-acre density downhole drilling for Deep Formation wells has been ordered by the Commission, without exception being granted by the Commission.

Laramie requests that well density and location rules under the requested order apply to vertical and directional wells only. Wells to be drilled under the requested order 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 Director of the Commission.

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, January 23, 2012 Tuesday, January 24, 2012
Time:	9:00 a.m.
Place:	COGCC Offices 1120 Lincoln Street, Suite 801

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 January 6, 2012, 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 January 6, 2012.** 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 **January 6, 2012, the Applicant may request that an administrative hearing be scheduled beginning January 6, 2012.** 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
December 16, 2011

Attorney for Laramie:
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