

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

IN THE MATTER OF THE PROMULGATION AND)	CAUSE NO. 407 & 535
ESTABLISHMENT OF FIELD RULES TO GOVERN)	
OPERATIONS IN THE WATTENBERG FIELD,)	DOCKET NO. 1205-UP-149
WELD COUNTY, COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On May 16, 2011, the Commission entered Order No. 535-13 which, among other things, established eleven approximate 640-acre drilling and spacing units for certain lands located in Townships 5 through 9 North, Ranges 60 and 61 West, 6th P.M., and approved up to two horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Section 28, Township 7 North, Range 60 West, 6th P.M. is subject to this Order for the Niobrara Formation.

On May 16, 2011, the Commission entered Order No. 535-27 which, among other things, pooled all nonconsenting interests in an approximate 640-acre drilling and spacing unit established for Section 28, Township 7 North, Range 60 West, 6th P.M., for the development and operation of the Niobrara Formation. Section 28, Township 7 North, Range 60 West, 6th P.M. is subject to this Order for the Niobrara Formation.

On June 27, 2011, the Commission entered Order No. 407-559 (formerly Order No. 535-43) which, among other things, established seven approximate 640-acre drilling and spacing units for certain lands located in Township 7 North, Ranges 61 and 62 West, 6th P.M., and approved one horizontal well within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Section 24, Township 7 North, Range 62 West, 6th P.M., and Sections 30 through 33, Township 7 North, Range 62 West, 6th P.M. are subject to this Order for the Niobrara Formation.

On October 31, 2011, the Commission entered Order No. 407-501 which, among other things, established twelve approximate 640-acre drilling and spacing units for certain lands located in Townships 6 and 7 North, Ranges 61 and 62 West, 6th P.M., and approved one horizontal well within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Section 31, Township 7 North, Range 61 West, 6th P.M. and Sections 13, 22, 23, 26, 27 and 35, Township 7 North, Range 62 West, 6th P.M. are subject to this Order for the Niobrara Formation.

On December 12, 2011, the Commission entered Order No. 407-528 which, among other things, established 51 approximate 640-acre drilling and spacing units for certain lands located in Section 25, Township 7 North, Range 62 West, 6th P.M., and approved up to two horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Section 25, Township 7 North, Range 62 West, 6th P.M. is subject to this Order for the Niobrara Formation.

On April 27, 1998, the Commission adopted Rule 318A., the Greater Wattenberg Well Location Rule ("GWA" Rule), 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. The Application Lands are subject to Rule 318A., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

On March 30, 2012 (AMENDED May 2, 2012 to withdraw Section 15, Township 7 North, Range 62 West, 6th P.M.), Marathon Oil Company ("Marathon" or "Applicant"), by its attorneys, filed with the Commission a verified application ("Application") for an order to:

1) amend Order No. 407-501 to authorize drilling up to four wells within each unit, for the below-described lands for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of any horizontal well to be no closer than 460 feet from the boundaries of the unit, without exception being granted by the Director:

Township 7 North, Range 61 West, 6th P.M.
Section 31: All (Prior DSU #1 – 640-acres)

Township 7 North, Range 62 West, 6th P.M.
Section 13: All (Prior DSU #2 – 640-acres)

Section 22:	All	(Prior DSU #3 – 640-acres)
Section 23:	All	(Prior DSU #4 – 640-acres)
Section 26:	All	(Prior DSU #5 – 640-acres)
Section 27:	All	(Prior DSU #6 – 640-acres)
Section 35:	All	(Prior DSU #7 – 640-acres)

2) amend Order No. 407-559 to authorize drilling up to four wells within each unit, for the below-described lands for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of any horizontal well to be no closer than 460 feet from the boundaries of the unit, without exception being granted by the Director:

<u>Township 7 North, Range 62 West, 6th P.M.</u>		
Section 30:	All	(Prior DSU #8 – 640-acres)
Section 31:	All	(Prior DSU #9 – 640-acres)
Section 32:	All	(Prior DSU #10 – 640-acres)
Section 33:	All	(Prior DSU #11 – 640-acres)

3) amend Commission Order No. 407-559 to remove only Section 24, Township 7 North, Range 62 West, 6th P.M.;

4) amend Commission Order No. 407-528 to remove only Section 25, Township 7 North, Range 62 West, 6th P.M.;

5) amend Commission Order No. 535-13 to remove only Section 28, Township 7 North, Range 60 West, 6th P.M.;

6) vacate Commission Order No. 535-27 for Section 28, Township 7 North, Range 60 West, 6th P.M., which pooled all nonconsenting interests;

7) establish four approximate 640-acre and two approximate 1280-acre drilling and spacing units for the below-described lands (“Application Lands”), and authorize up to four horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of any horizontal well to be no closer than 460 feet from the boundaries of the unit, without exception being granted by the Director:

<u>Township 7 North, Range 60 West, 6th P.M.</u>		
Section 13:	All	(DSU #A – 640-acres)
Section 32:	All	(DSU #B – 640-acres)

<u>Township 7 North Range 62 West, 6th P.M.</u>		
Section 3:	All	(DSU #C – 640-acres)
Section 18:	All	(DSU #D – 640-acres)

<u>Township 7 North, Range 60 West, 6th P.M.</u>		
Section 28:	All	
Section 33:	All	(DSU #E – 1280-acres)

<u>Township 7 North, Range 62 West, 6th P.M.</u>		
Section 24:	All	
Section 25:	All	(DSU #F – 1280-acres)

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado (Commission) under § 34-60-105 C.R.S.; 2) specific powers granted pursuant to § 34-60-106 C.R.S.; 3) the Colorado Administrative Procedures Act at § 24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date:	Tuesday, May 29, 2012 Wednesday, May 30, 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 May 14, 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 May 14, 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 May 14, 2012, the Applicant may request that an administrative hearing be scheduled beginning May 14, 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
May 2, 2012

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