

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 FOR THE WILLIAMS FORK AND ILES	)	DOCKET NO. 1406-SP-2073
FORMATION OF THE MESAVERDE GROUP,	)	
PARACHUTE FIELD, GARFIELD COUNTY,	)	
COLORADO	)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 7 South, Range 96 West, 6<sup>th</sup> P.M.

Section 24: Lots 1, 5 and 6; and adjacent lands thereto, lying up to the center line of the Colorado River, NE $\frac{1}{4}$  NE $\frac{1}{4}$ ; S $\frac{1}{2}$  NE $\frac{1}{4}$ ; S $\frac{1}{2}$  (excluding Lots 2, 3 and 4, North of the center line of the Colorado River; and the S $\frac{1}{2}$  S $\frac{1}{2}$  NW $\frac{1}{4}$  NW $\frac{1}{4}$  which is DSU #3)

(DSU#1 – approximately 560-acres)

Township 7 South, Range 96 West, 6<sup>th</sup> P.M.

Section 24: Lots 2, 3 and 4 (North of the center line of the Colorado River (excluding S $\frac{1}{2}$  S $\frac{1}{2}$  NW $\frac{1}{4}$  NW $\frac{1}{4}$  which is DSU #3).

(DSU#2 – approximately 70-acres)

Township 7 South, Range 96 West, 6<sup>th</sup> P.M.

Section 24: S $\frac{1}{2}$  S $\frac{1}{2}$  NW $\frac{1}{4}$  NW $\frac{1}{4}$ .

(DSU #3 - approximately 10-acres)

APPLICATION

On April 17, 2014 (Amended May 9, 2014), Caerus Piceance LLC ("Caerus" or "Applicant") filed a verified application pursuant to §34-60-116 C.R.S. for an order to:

- 1) Vacate an approximate 563.1-acre drilling and spacing unit established by Order Nos. 139-116 and 440-67 for certain lands within Section 24, Township 7 South, Range 96 West, 6<sup>th</sup> P.M. located south of the center line of the Colorado River. DSU #1 of the Application Lands is subject to these Orders for the Williams Fork Formation.
- 2) Vacate an approximate 76.1-acre drilling and spacing unit established by Order No. 510-64 for certain lands north of the center line of the Colorado River. DSU #2 of the Application Lands is subject to these Orders for the Williams Fork and Iles Formations of the Mesaverde Group.
- 3) Amend Order Nos. 139-117, 440-69 and 139-118 to conform with the Application Lands listed in proposed DSU #1.

- 4) Establish an approximate 560-acre drilling and spacing unit, an approximate 70-acre drilling and spacing unit and an approximate 10-acre drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group.
- 5) Approve 10-acre bottomhole density within each unit.
- 6) Applicant further requests that the authorized wells be located downhole anywhere within the Application Lands, but no closer than 100 feet from a lease line or the unit boundaries, without exception being granted by the Director.
- 7) Applicant further requests that such order provide that the authorized wells be located down hole no closer than 200 feet from the boundaries of the proposed units in cases where the Application 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, without exception being granted by the Director.

#### PRIOR RULES AND ORDERS

(available online at: <http://cogcc.state.co.us>, under "ORDERS")

- On June 17, 2013 (corrected January 9, 2014 and April 15, 2014), Order Nos. 139-116 and 440-67 established an approximate 563.1-acre drilling and spacing unit for certain lands within Section 24, Township 7 South, Range 96 West, 6<sup>th</sup> P.M. located south of the center line of the Colorado River, and approved 10-acre bottomhole density for production of oil, gas and associated hydrocarbons from the Williams Fork Formation.
- On October 28, 2013 (corrected January 9, 2014), Order 510-64 established a 76.9-acre drilling and spacing unit for certain lands in Section 24, Township 7 South, Range 96 West, 6<sup>th</sup> P.M. located north of the center line of the Colorado River, and approved 10-acre bottomhole density for production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations.
- On July 29, 2013 (corrected January 9, 2014), Orders 139-117 and 440-69, pooled all interests in the approximate 563.1-acre drilling and spacing unit established by Orders 139-116 and 440-67 for certain lands in Section 24, Township 7 South, Range 96 West, 6<sup>th</sup> P.M. for the development and operation of the Williams Fork Formation.
- On January 27, 2014, Order 139-118 subjected the cost recovery provisions of C.R.S. §34-60-116(7)(b) on non-consenting owners for the development and operation of the Williams Fork Formation from certain additional named wells in the 563.1-acre unit pooled under Orders 139-117 and 440-69.

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado under §34-60-105 C.R.S.; 2) specific powers granted pursuant to §34-60-106 C.R.S.; 3) the State Administrative Procedures

Act at §24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2 CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Monday, June 16, 2014  
Tuesday, June 17, 2014

Time: 9:00 a.m.

Place: Rifle Branch Library  
Garfield County Public Library District  
207 East Avenue  
Rifle, CO 81650

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.

At hearing, the Commission will consider the Application and enter an order pursuant to its authority under the statute. **Any interested party desiring to protest or intervene should file with the Commission a written protest or intervention in accordance with Rule 509., no later than June 2, 2014.** Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. One electronic (cogcc.hearings\_unit@state.co.us), one original and two 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 2, 2014.** Pursuant to Rule 511., if the matter is uncontested, it may be approved without a hearing, based on review of the merits of the verified application and supporting exhibits.

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO



By \_\_\_\_\_  
Robert J. Frick, Secretary

Dated: May 12, 2014

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