

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

IN THE MATTER OF THE PROMULGATION ) CAUSE NO. 510  
AND ESTABLISHMENT OF FIELD RULES TO )  
GOVERN OPERATIONS IN THE GRAND VALLEY ) DOCKET NO. 0512-SP-12  
FIELD, GARFIELD COUNTY, COLORADO )

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On July 12, 2004, the Commission issued Order No. 510-11, which provided for optional drilling Williams Fork Formation of the Mesaverde Group of wells equivalent to one per 10 acres with the permitted wells to be located anywhere within the drilling and spacing unit but no closer than 100 feet from the boundaries of the unit without exception being granted by the Director, except that with respect to units abutting or cornering lands for which the Commission has not at the time of the drilling permit application granted the right to drill 10-acre density wells, the well shall be located downhole no closer than 200 feet from the boundary or boundaries of the drilling unit so abutting or cornering such land, including the below-listed lands:

Township 6 South, Range 96 West, 6<sup>th</sup> P.M.  
Section 5: All  
Section 6: All  
Section 18: All

On March 22, 2005, the Commission issued Order No. 510-13, which provided for optional drilling of Williams Fork Formation of the Mesaverde Group wells equivalent to one per 10 acres, with the permitted wells to be located anywhere within the lands but no closer than 100 feet from any lease line without exception being granted by the Director, except that with respect to lease lines abutting or cornering lands for which the Commission has not at the time of the drilling permit application granted the right to drill 10-acre density wells, the well shall be located downhole no closer than 200 feet from the lease line so abutting or cornering such lands, and no more than four (4) Williams Fork Formation wells should be drilled downhole per governmental quarter quarter section, including the below-listed lands:

Township 5 South, Range 96 West, 6<sup>th</sup> P.M.  
Section 33: N $\frac{1}{2}$  N $\frac{1}{2}$ , less and except the West 32 rod of the NW $\frac{1}{4}$   
NW $\frac{1}{4}$  containing 16 acres, more or less  
Section 35: All

Rule 318.a. of the Rules and Regulations of the Colorado Oil and Gas Conservation Commission requires wells drilled in excess of 2,500 feet in depth to be located not less than 600 feet from any lease line, and 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. The below-listed lands are under the provisions of Rule 318.a.:

Township 5 South, Range 96 West, 6<sup>th</sup> P.M.  
Section 19: S $\frac{1}{2}$   
Section 20: All  
Section 29: All  
Section 30: All  
Section 31: All  
Section 32: All

Township 6 South, Range 97 West, 6<sup>th</sup> P.M.  
Section 1: S $\frac{1}{2}$   
Section 2: S $\frac{1}{2}$   
Section 11: All  
Section 12: All  
Section 13: All  
Section 14: All  
Section 21: All  
Section 22: All  
Section 28: All  
Section 33: All

On October 4, 2005, Piceance Gas Resources, LLC and Petroleum Development Corporation, by its attorney, filed with the Commission a verified application for an order to establish 320-acre

drilling and spacing units for the below-listed lands for production of gas and associated hydrocarbons from the Williams Fork Formation of the Mesaverde Group, and to increase the number of wells which can be optionally drilled into and produced from the Williams Fork Formation of the application lands to the equivalent of one well per 10 acres:

Township 5 South, Range 96 West, 6<sup>th</sup> P.M.

Section 19: S $\frac{1}{2}$   
Sections 20 through 32: All  
Section 33: S $\frac{1}{2}$   
Section 35: S $\frac{1}{2}$

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

Section 5: N $\frac{1}{2}$   
Section 6: All  
Section 18: All

Township 6 South, Range 97 West, 6<sup>th</sup> P.M.

Sections 1 and 2: S $\frac{1}{2}$   
Sections 11 through 13: All  
Section 14: S $\frac{1}{2}$   
Sections 21 and 22: All  
Section 28: All  
Section 33: All

That as to all future Williams Fork Formation wells to be drilled upon the above-described lands, each well may be located anywhere downhole in the established 320-acre drilling and spacing unit but no closer than 100 feet from the boundaries of the unit or lease line, without exception being granted by the Director, except that with respect to units abutting or cornering lands for which the Commission has not at the time of the drilling permit application granted the right to drill 10-acre density wells, the well shall be located downhole no closer than 200 feet from the boundary of the drilling unit so abutting or cornering such lands, and no more than four (4) Williams Fork Formation wells should be drilled downhole per governmental quarter quarter section.

Applicants commit that wells to be drilled under this application will be drilled, on average, if topographically feasible throughout the lands, from the surface either vertically or directionally from no more than one pad located on a given quarter quarter section unless exception is granted by the Director of the Colorado Oil and Gas Conservation 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, December 5, 2005  
Tuesday, December 6, 2005  
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. 139, 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 November 21, 2005, 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 nine (9) copies shall be filed with the Commission (Rule 503.). **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of November 21, 2005.** Pursuant to Rule 503.e., 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 **November 21, 2005, the Applicant may request that an administrative hearing be scheduled for the week of November 21, 2005.**

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

By \_\_\_\_\_  
Patricia C. Beaver, Secretary

Dated at Suite 801  
1120 Lincoln Street  
Denver, Colorado 80203  
November 4, 2005

Attorney for Applicant:  
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