

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

IN THE MATTER OF A BOND CLAIM) CAUSE NO. 1
AGAINST SIERRA OIL AND GAS COMPANY,)
ALSO DBA SIERRA EXPLORATION COMPANY,) DOCKET NO. 0601-OV-03
ALSO DBA CAPITAL ENERGY CORPORATION)
ALSO DBA SIERRA OPERATING COMPANY,)
ARCHULETA COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On September 3, 1980, the Binkley #2 Well located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 8, Township 32 North, Range 3 East, N.M.P.M. was spud by Capital Energy Corporation. Production casing was set and the well was perforated and shut-in. The last information for this well was received by the Colorado Oil and Gas Conservation Commission ("COGCC") on August 17, 1984, and indicated that the well had been plugged and abandoned by Sierra Oil and Gas Company.

On August 21, 1981, the Mizar Schick #1 Well located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32, Township 36 North, Range 1 West N.M. P.M. was spud by Sierra Oil and Gas Company. Production casing was set and the well was perforated and shut-in. The last information for this well was received by the COGCC on March 5, 1986, from Sierra Operating Company, and indicated that the well was shut-in and awaiting pipeline connection.

On July 14, 2005, COGCC staff inspected the Binkley #2 Well. The well appeared to be plugged but site restoration was not complete and the Well was in violation of Rule 1004.a., failure to reclaim wellsite within three (3) to twelve (12) months of final plugging and abandonment.

On October 3, 2005, COGCC staff inspected the Mizar Schick #1 Well. The well still exists in shut-in status and is in violation of Rule 319.b.(3).

COGCC staff has no indication that Sierra or any of its entities are in existence today.

The Commission should authorize the COGCC staff to claim the Sierra Oil and Gas Company/Sierra Exploration Company Thirty Thousand dollar (\$30,000) plugging bond to reclaim the Binkley #2 Well site and to plug and abandon the Mizar Schick #1 Well. If the cost of performing this work exceeds the plugging bond amount, the Environmental Response Fund should be used to supplement the total cost of the work.

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 9, 2006
Tuesday, January 10, 2006

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 December 27, 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 December 27, 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 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
December 12, 2005