

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 112
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS IN THE IGNACIO-BLANCO FIELD,) DOCKET NO. 1011-SP-40
ARCHULETA COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On December 17, 1990, the Commission issued Order No. 112-85, which among other things, established 320-acre drilling and spacing units for certain lands, including Sections 21, 22, and 23 of Township 32 North, Range 4 West, N.M.P.M., for the production of gas from the Fruitland coal seams.

On May 8, 2008, the Commission issued Order No. 112-210, which among other things, vacated the 320-acre drilling and spacing units previously established under Order No. 112-85, and established drilling and spacing units for the below-listed lands, for the production of gas and associated hydrocarbons from the Fruitland coal seams, and approved one horizontal well for the drilling and spacing unit, with the permitted well to be located no closer than 660 from the unit boundaries:

Spacing Unit #1
Township 32 North, Range 4 West, N.M.P.M.
Section 21: E $\frac{1}{2}$ E $\frac{1}{2}$
Section 22: W $\frac{1}{2}$
Archuleta County, Colorado, containing 359.02 acres, more or less.

Spacing Unit #2
Township 32 North, Range 4 West, N.M.P.M.
Section 22: E $\frac{1}{2}$
Section 23: W $\frac{1}{2}$ W $\frac{1}{2}$
Archuleta County, Colorado, containing 360.00 acres, more or less.

On October 8, 2010, Red Willow Production Company ("Red Willow"), by its attorneys, filed with the Commission a verified application for an order to amend Order No. 112-210 to combine those lands previously allocated to *Spacing Unit 1* and *Spacing Unit 2* and establish a 719.02-acre drilling and spacing unit for the below-listed lands, and approve two horizontal wells for the newly established drilling and spacing unit, for the production of gas and associated hydrocarbons from the Fruitland coal seams, with the initial formation penetration, lateral leg, and terminus (bottom-hole location) of the permitted wells to be not closer than 660 feet from the boundaries of the unit:

Township 32 North, Range 4 West, N.M.P.M.
Section 21: E $\frac{1}{2}$ E $\frac{1}{2}$
Section 22: All
Section 23: W $\frac{1}{2}$ W $\frac{1}{2}$

Archuleta County, Colorado, containing 719.02 acres, more or less.

Further, Red Willow requests that the surface location of the two horizontal wells be located on a common pad.

Certain surface tracts and mineral interests under the Application Lands are owned in trust by the United States of America for the benefit of the Southern Ute Indian Tribe ("Trust Lands"). The minerals under those Trust Lands have been leased by the Southern Ute Indian Tribe to Red Willow Production Company under a mineral development agreement approved by the United States Department of the Interior, Bureau of Indian Affairs.

Insofar as the Application Lands are subject to the jurisdiction of the Southern Ute Indian Tribe, this Application is submitted to this Commission in accordance with the terms of the Memorandum of Understanding dated August 22, 1991 between the Bureau of Land Management ("BLM") and this Commission and separate Memorandum of Understanding dated August 22, 1991 between the Bureau of Indian Affairs, the BLM, and the Southern Ute Indian Tribe.

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, November 29, 2010
Tuesday, November 30, 2010

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. 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 November 12, 2010, 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 November 15, 2010.** Pursuant to Rule 503.f., 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 12, 2010, the Applicant may request that an administrative hearing be scheduled during the week of November 15, 2010.** In the alternative, pursuant to Rule 511.b., 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 _____
Carol Harmon, Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
November 1, 2010

Attorneys for Applicant:
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