

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 IGNATIO-BLANCO FIELD, ) DOCKET NO. 1110-SP-155  
ARCHULETA COUNTY, COLORADO )

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On June 17, 1988, the Commission issued Order No. 112-60, which among other things, established 320-acre drilling and spacing units for certain lands including certain lands including Section 24, Township 32 North, Range 4 West, N.M.P.M., for production of gas from the Fruitland coal seams, with the permitted well to be located no closer than 990 feet to any outer boundary of the unit, nor closer than 130 feet to any interior quarter section line.

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 Section 24, Township 32 North, Range 4 West, N.M.P.M., for production from the Fruitland coal seams.

On May 8, 2008, the Commission issued Order No. 112-210, which among other things: 1) vacated drilling and spacing units established under previous orders; 2) established a 360-acre drilling and spacing unit and a 352.73-acre drilling and spacing unit including portions of Section 24, Township 32 North, Range 4 West, N.M.P.M.; 3) approved one horizontal well within each unit; and 4) established 660 foot setbacks from the outer unit boundaries, for the production of oil and/or gas from the Fruitland Coal seams.

On August 29, 2011, Red Willow Production Company ("Red Willow" or "Applicant"), by its attorneys, filed with the Commission a verified application ("Application") for an order to: 1) vacate the existing 360 acre drilling and spacing unit covering the W½, and W½E½, Section 24, Township 32 North, Range 4 West, N.M.P.M.; 2) modify the existing 352.73 acre drilling and spacing unit covering the E½E½, Section 24, Township 32 North, Range 4 West, N.M.P.M., and the W½, Section 19, Township 32 North, Range 3 West, N.M.P.M. by reducing it in size to just the W½, Section 19, Township 32 North, Range 3 West, N.M.P.M. (Modified Unit); 3) establish an approximate 488.16-acre exploratory drilling and spacing unit (488.16-Acre Unit) comprised of Section 24 All, Township 32 North, Range 4 West, N.M.P.M.; 4) approve up to two horizontal wells to be drilled within the 488.16-Acre Unit; 5) provide that the treated interval of a horizontal well shall be located no closer than 100 feet from the north, east, and west side boundaries, and 660 feet from the south boundary of the 488.16-Acre Unit, unless an exception is authorized by the Director; 6) eliminate any internal quarter section line setback for both units, 7) allow one horizontal well within the Modified Unit; and 8) provide that the outer boundary setbacks on the north, east, and west sides of the Modified Unit be reduced to 100' and that the existing 660' outer boundary setback on the south side of the Modified Unit be maintained, for production of gas from the Fruitland Coal Seam Formation.

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, October 31, 2011  
Tuesday, November 1, 2011

Time: 9:00 a.m.

Place: City of Littleton – Council Chambers  
2255 W. Berry Avenue  
Littleton, CO 80120

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.

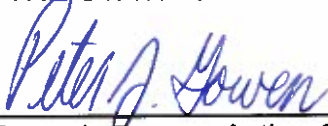
Pursuant to said hearing in the above-entitled matter at the time and place aforesaid,

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 October 17, 2011, 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 October 17, 2011. 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 October 17, the Applicant may request that an administrative hearing be scheduled during the week of October 17. 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  
September 30, 2011

Attorneys for Applicant:  
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