

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

IN THE MATTER OF THE PROMULGATION AND ) CAUSE NO. 371  
ESTABLISHMENT OF FIELD RULES TO GOVERN )  
OPERATIONS IN THE BUZZARD FIELD, MESA ) DOCKET NO. 1108-SP-108  
COUNTY, COLORADO )

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located 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 SW¼ of Section 19, Township 9 South, Range 94 West, 6<sup>th</sup> P.M. is subject to this Rule for the Mancos, Niobrara, Frontier, and Mowry Formations.

On May 18, 1981, the Commission issued Order No. 371-1, which among other things, established a 160-acre drilling and spacing unit for the SW¼ of Section 19, Township 9 South, Range 94 West, 6<sup>th</sup> P.M., for the production of gas and associated hydrocarbons from the Mesaverde Formation (to include the Williams Fork and Iles Formations), with the permitted wells located no closer than 600 feet from the unit boundaries.

On June 9, 2011, Laramie Energy II, LLC ("Laramie" or "Applicant"), by its attorney, filed with the Commission a verified application for an order to: (1) establish a 160-acre drilling and spacing unit for the below-listed lands (the "Application Lands"), and approve the equivalent of one well per 10 acres well density within the unit, for the production of gas and associated hydrocarbons from the Mancos, Niobrara, Frontier, and Mowry Formations (the "Deep Formations"); and (2) approve the equivalent of one well per 10 acres well density for the proposed 160-acre drilling and spacing unit for the Application Lands, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formation of the Mesaverde Group and the Deep Formations:

Township 9 South, Range 94 West, 6th P.M.  
Section 19: SW¼

All future Williams Fork and Iles Formation wells to be drilled under the Application should be located downhole anywhere upon the Application Lands, but no closer than 100 feet from the boundaries of the unit, without exception being granted by the Commission. It should be provided, however, that in cases where the lands abut or corner lands in respect of which the Commission has not granted the right to drill 10-acre density Williams Fork Formation wells, the well should be located downhole no closer than 200 feet from the boundaries of the unit, without exception being granted by the Commission.

All future Deep Formation wells to be drilled under the Application should be located but no closer than 600 feet from the boundaries of the unit, unless such boundary abuts or corners lands in which the Commission has granted the right to drill 10-acre density wells for the Deep Formations, in which event, the Deep Formation well should be drilled downhole no closer than 100 feet, or the setback footage in such other Deep Formations order, whichever is greater, from that portion of such boundary which so abuts or corners the lands in respect of which 10-acre density downhole drilling for Deep Formation wells has been ordered by the Commission, without exception being granted by the Commission.

All Iles Formation wells to be drilled under the Application should be drilled only in connection with the drilling of a Williams Fork Formation well. The above well density and location rules should apply to vertical and directional wells, but not to horizontal wells for which existing Commission rules and orders should continue to apply. Wells to be drilled under the Application should be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter-quarter section (or lots or parcels approximately equivalent thereto) unless exception is granted by the Director.

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, August 8, 2011  
Tuesday, August 9, 2011

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 July 25, 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 July 25, 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 **July 25, 2011, the Applicant may request that an administrative hearing be scheduled during the week of July 25, 2011.** 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  \_\_\_\_\_  
Robert A. Willis, Acting Secretary

Dated at Suite 801  
1120 Lincoln Street  
Denver, Colorado 80203  
June 30, 2011

Attorney for Applicant:  
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