

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 1C
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS BY PETROGLYPH ENERGY, INC.,) DOCKET NO. 1106-GA-07
HUERFANO COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

In June 2007, the existence of methane migration into the shallow aquifer overlying a portion of Petroglyph Energy, Inc.'s ("Petroglyph's" or "Applicant's") coalbed methane field in Huerfano County, Colorado, became evident, and Petroglyph voluntarily shut-in 52 gas wells in the field at the request of the Director.

On October 16, 2007, the Commission entered Order No. 1C-4 which approved a Cease and Desist Order, negotiated by Petroglyph and the Director, related to methane migration into the shallow Poison Canyon aquifer overlying a portion of Petroglyph's coal bed methane ("CBM") field in Huerfano County, Colorado; said order was made effective for 30 days and approved the methane investigation, monitoring, and mitigation plan ("MIMMP").

On November 14, 2007, the Director of the COGCC issued Order No. 1C-5, which, among other things, required Petroglyph to keep the CBM wells shut-in until such time it applies for a Commission order and demonstrates that it can return the wells to production in a manner that protects public health and safety.

On January 15, 2008, the Commission entered Order No. 1C-6, which, among other things, approved an amended MIMMP which set forth three phases designed to further monitor the impacts of methane migration and mitigate those impacts. Petroglyph has completed the tasks outlined for Phases 1 and 2 of the MIMMP. Commencement of Phase 3, which entails restoring its 52 gas wells to production requires Commission approval.

On April 28, 2011 Petroglyph, advised the Commission that, instead of seeking approval to commence Phase 3 of the MIMMP, it had decided to terminate its CBM operations in the Northern Raton Basin. Petroglyph, by its attorneys, filed a verified application (the "Application") for an order to establish an orderly, 6-9 month process for such termination of operations. Said order would, among other things: (1) authorize Petroglyph to plug and abandon its CBM wells and certain ancillary wells drilled pursuant to the MIMMP Plan by cementing those boreholes their entire depth to isolate the Vermejo Coal Formation from the Poison Canyon Formation; and (2) provide for continued operation of Petroglyph's Phase Two-MIMMP Plan hydraulic barrier and methane recovery system, including monitoring activities and monthly reports to the Commission, until such time as all of Petroglyph's CBM wells have been plugged, abandoned and reclaimed in accord with Rules 311, 319 and 1004, and after that time, for Petroglyph to be relieved of any further obligations under the MIMMP Plan and Order No. 1C-6, with the following exceptions:

a. Wellhead (or vent) gas composition (% methane by volume) monitoring (quarterly for 12 months following cessation of Phase Two) of the following wells (or vents):

Houghtling
Hopke
Barrett
Smith
Bergman
Angely
Bounds
Bruington

b. Water level monitoring (quarterly for 12 months following cessation of Phase Two) of the following wells:

Bruington
Golden Cycle Land (Goemmer #1)
Bergman

Angely

c. Gas flux follow-up survey (once 8-12 months following cessation of Phase Two) of Seep 643 and Seep 644.

d. Water Quality follow-up sampling and analysis (frequency and duration to be determined in consultation with Commission Staff) of the Angely water well.

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, June 27, 2011
Tuesday, June 28, 2011

Time: 9:00 a.m.

Place: Elbert County Fairgrounds
Ag Building
95 Ute Avenue
Kiowa, CO 80117

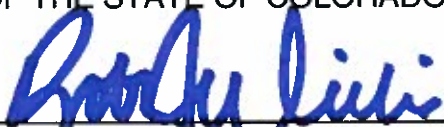
In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

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 June 13, 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 June 13, 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 **June 13, 2011, the Applicant may request that an administrative hearing be scheduled during the week of June 13, 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
May 13, 2011

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