

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

IN THE MATTER OF A VARIANCE REQUEST TO) CAUSE NO. 1
EXTEND THE EXPIRATION OF A PERMIT TO)
DRILL ISSUED TO **MAGPIE OPERATING, INC.**, IN) DOCKET NO. 1203-GA-01
THE JOHNSON'S CORNER FIELD, LARIMER)
COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Rule 502.b.(1) provides that the operator or the applicant requesting a variance shall make a showing that it has made a good faith effort to comply, or is unable to comply with the specific requirements contained in the rules, regulations, or orders, from which it seeks a variance, including, without limitation, securing a waiver or an exception, if any, and that the requested variance will not violate the basic intent of the Oil and Gas Conservation Act.

On March 25, 2010, the Commission issued Order No. 1-149, which, among other things, designated the location for the State Chase 33-36 Well within the SE¼ of Section 36, Township 5 North, Range 68 West, 6th P.M., and created conditions of approval to be applied to the Application for Permit-to-Drill.

On April 9, 2010, the Commission, through Director David Neslin, issued Permit No. 20084004 ("Permit"), for the State Chase 33-36 Well, including the conditions of approval as stated in Order No. 1-149. The Permit expires on April 8, 2012.

On January 11, 2012, Magpie Operating, Inc. ("Magpie" or "Applicant"), by its attorneys, filed with the Commission a verified application ("Application") for an order granting a variance from the Permit, and extending the expiration of the Permit from April 8, 2012 to April 8, 2014.

In support of the Application, Magpie explained that it has been in litigation with the surface owners of the property covered by the Permit in two contested administrative proceedings before the Commission, two district court actions, and one appeal presently pending before the Colorado Court of Appeals. It is economically and practically infeasible for Magpie to proceed with drilling a well until the pending appeal is resolved.

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, March 5, 2012
Tuesday, March 6, 2012

Time: 9:00 a.m.

Place: COGCC Offices
1120 Lincoln Street, Suite 801
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 February 17, 2012, 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 February 17, 2012. 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 **February 17, 2012, the Applicant may request that an administrative hearing be scheduled beginning February 17, 2012.** 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
February 1, 2012

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