

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

IN THE MATTER OF THE APPLICATION OF) CAUSE NO. 535
EDWARD MIKE DAVIS, L.L.C., PETERSON)
ENERGY OPERATING INC. AND JSB) DOCKET NO. 1303-UP-72
IRREVOCABLE INCOME TRUST FOR)
UNITIZATION OF SECTIONS 1, 2, 11 AND 12,)
TOWNSHIP 3 SOUTH, RANGE 50 WEST, 6TH P.M.,)
FOR THE J SAND FORMATION, SPOTTED DOG)
FIELD, WASHINGTON 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. Sections 1, 2, 11 and 12, Township 3 South, Range 50 West, 6th P.M. are subject to Rule 318.a. for the J Sand Formation.

Rule 401. of the Rules and Regulations of the Oil and Gas Conservation Commission, requires that prior to performing enhanced recovery operations or carrying on any method of unit operations, written authorization from the Commission must first be obtained.

On February 4, 2013, Edward Mike Davis, L.L.C., Peterson Energy Operating, Inc., and JSB Irrevocable Income Trust dated April 13, 2011 ("Davis" or "Applicant"), by its attorneys, filed with the Commission pursuant to §34-60-118 C.R.S. and Rule 401, a verified application ("Application") for an order to establish an approximate 370-acre enhanced recovery unit and approve enhanced recovery operations for the below-described lands ("Application Lands"), within the Spotted Dog Field in Washington County, Colorado, for the development and operation of the J Sand Formation:

Township 3 South, Range 50 West, 6th P.M.

Section 1: S¹/₂ S¹/₂ SW¹/₄, S¹/₂ SW¹/₄ SE¹/₄

Section 2: SE¹/₄ SE¹/₄ SE¹/₄

Section 11: E¹/₂ NE¹/₄ NE¹/₄, NE¹/₄ SE¹/₄ NE¹/₄

Section 12: W¹/₂ E¹/₂ NE¹/₄, W¹/₂ NE¹/₄, N¹/₂ NW¹/₄, N¹/₂ SW¹/₄ NW¹/₄,
SE¹/₄ SW¹/₄ NW¹/₄, SE¹/₄ NW¹/₄

Applicant anticipates that, on a tract participation basis, at least 80% of the owners of production, or proceeds therefrom, and at least 80% of those required to pay the costs of unit operations, will approve the Spotted Dog Unit Agreement and Unit Operating Agreement for the J Sand Formation no later than six months from the date on which the order providing for unit operations is made, as required by §34-60-118(5) C.R.S.

Applicant requests to expand the current aquifer exemption, pursuant to Rule 324B, to allow injection of water into the J Sand formation through two existing water injection wells: the Christianson SWD 12-12 and the Christianson SWD 32-12. The lands for which notice was

given for the proposed unit and for the proposed aquifer exemption, including all lands within 1/2 mile of the proposed unit and within 1/4 mile of the proposed injection wells, are:

Township 3 South, Range 49 West, 6th P.M.

Section 6: S¹/₂ SW¹/₄ NW¹/₄, W¹/₂ SW¹/₄, W¹/₂ E¹/₂ SW¹/₄

Township 3 South, Range 49 West, 6th P.M.

Section 7: W¹/₂ NW¹/₄, W¹/₂ SW¹/₄, W¹/₂ E¹/₂ NW¹/₄, W¹/₂ E¹/₂ SW¹/₄

Township 3 South, Range 50 West, 6th P.M.

Section 1: S¹/₂, S¹/₂ S¹/₂ N¹/₂

Township 3 South, Range 50 West, 6th P.M.

Section 2: SE¹/₄, E¹/₂ E¹/₂ SW¹/₄, SE¹/₄ SE¹/₄ NW¹/₄, S¹/₂ S¹/₂ NE¹/₄

Township 3 South, Range 50 West, 6th P.M.

Section 11: E¹/₂ E¹/₂, W¹/₂ NE¹/₄, NW¹/₄ SE¹/₄, N¹/₂ SW¹/₄ SE¹/₄, SE¹/₄ SW¹/₄ SE¹/₄, E¹/₂ E¹/₂ NW¹/₄, E¹/₂ E¹/₂ NE¹/₄ SW¹/₄, NE¹/₄ SE¹/₄ SW¹/₄

Township 3 South, Range 50 West, 6th P.M.

Section 12: All

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado under § 34-60-105 C.R.S.; 2) specific powers granted pursuant to § 34-60-106 C.R.S.; 3) the State Administrative Procedure Act at § 24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2 CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Monday, March 25, 2013
Tuesday, March 26, 2013

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

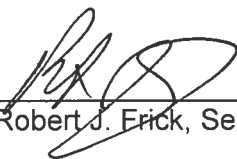
In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

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 March 11, 2013, 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 March 11, 2013.** 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 **March 11, 2013, the Applicant may request that an administrative hearing be scheduled beginning March 11, 2013.** 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.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By  _____
Robert J. Frick, Secretary

Dated: February 25, 2013

Colorado Oil and Gas Conservation
Commission
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Denver, Colorado 80203
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