

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

IN THE MATTER OF THE APPLICATION OF ) CAUSE NO. 510  
CAERUS PICEANCE LLC FOR AN ORDER TO )  
ESTABLISH AN APPROXIMATE 80-ACRE ) DOCKET NO. 1309-SP-1152  
DRILLING AND SPACING UNIT LOCATED IN )  
SECTION 14, TOWNSHIP 7 SOUTH, RANGE 96 )  
WEST, 6<sup>TH</sup> P.M. AND ESTABLISH DENSITY AND )  
SETBACK RULES FOR THE WILLIAMS FORK )  
AND ILES FORMATIONS, GRAND VALLEY FIELD, )  
GARFIELD COUNTY, COLORADO )

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On May 16, 1994, the Commission entered Order No. 510-1 which, among other things, authorized wells to be drilled to the Williams Fork Formation of the Mesaverde Group no closer than 400 feet from the boundaries of any lease line and no closer than 800 feet from any existing Williams Fork Formation well or wells. Section 14, Township 7 South, Range 96 West, 6<sup>th</sup> P.M. is subject to this Order for the Williams for and Iles Formations.

On July 18, 2013, Caerus Piceance LLC ("Caerus" or "Applicant"), by its attorneys, filed with the Commission pursuant to §34-60-116 C.R.S., a verified application ("Application") for an order to establish an approximate 80-acre drilling and spacing unit for the below-described lands ("Application Lands"), for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations, to approve the equivalent of one well per 10 acres where each permitted well may be located downhole anywhere within the unit, provided that no such wells shall be located downhole any closer than 100 feet from the boundaries of the unit unless such boundary abuts or corners lands in respect of which the Commission has not at the time of the drilling permit application granted the right to drill 10-acre density Williams Fork or Iles Formation wells, in which event Williams Fork or Iles Formation wells to be drilled upon the given drilling and spacing unit shall be located downhole no closer than 200 feet from the portion of the unit boundary which so abuts or corners the lands in respect of which 10-acre density downhole drilling for Williams Fork and Iles Formation wells has not been ordered by the Commission:

Township 7 South, Range 96 West, 6<sup>th</sup> P.M.  
Section 14: E½ SE¼

Applicant states the Nolte 14-43D Well (API No. 05-045-07469) was drilled in the NE¼ SE¼ of Section 14, and the Nolte 14-44 Well (API No 05-045-07482) was drilled in the SE¼ SE¼ of Section 14. Consistent with the relief requested herein, both wells will continue to pay to the owners in the E½ SE¼ of Section 14.

Applicant requests that the Commission take administrative notice of Order Nos. 510-58 and 510-54 which granted similar well density and setbacks for wells drilled to the Williams Fork and Iles Formations in the adjacent SW¼ of Section 13 and the NE¼ of Section 35, both in Township 7 South, Range 96 West, 6<sup>th</sup> P.M.

Applicant states that all wells will be drilled from no more than two multi-well pads located within the unit, with no more than one per quarter quarter section, without exception being granted by the Director.

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 Procedures 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, September 16, 2013  
Tuesday, September 17, 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 August 30, 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. One electronic (cogcc.hearings\_unit@state.co.us), one original and two 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 September 3, 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 **August 30, 2013, the Applicant may request that an administrative hearing be scheduled beginning September 3, 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: August 14, 2013

Colorado Oil and Gas Conservation Commission  
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