

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 52-ACRE) DOCKET NO. 1310-SP-1203
DRILLING AND SPACING UNIT FOR CERTAIN)
LANDS IN SECTION 24, TOWNSHIP 7 SOUTH,)
RANGE 96 WEST, 6TH P.M., 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 July 1, 1997, the Commission entered Order Nos. 139-31 and 440-18 which, among other things, approved 40-acre density for wells drilled to the Williams Fork Formation of the Mesaverde Group, with the productive interval of the wellbore to be located no closer than 400 feet from the unit boundaries and no closer than 800 feet from the productive interval of any other wellbore located in the unit. Section 24, Township 7 South, Range 96 West, 6th P.M. is subject to these Orders for the Williams Fork and Iles Formations.

On June 17, 2013, the Commission entered Order No. 139-116 which established an approximate 588-acre drilling and spacing unit and approved 10-acre bottomhole density for production of oil, gas and associated hydrocarbons from the Williams Fork Formation. That portion of Section 24, Township 7 South, Range 96 West, 6th P.M. which is located south of the Colorado River is subject to this Order for the Williams Fork Formation.

On August 29, 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 52-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, and 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 boundary 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 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 or Iles Formation wells has not been ordered by the Commission, without exception being granted by the Director:

Township 7 South, Range 96 West, 6th P.M.
Section 24: Lots 2, 3 & 4 (North of the Colorado River)

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, October 28, 2013
Tuesday, October 29, 2013

Time: 9:00 a.m.

Place: Limon Community Center
477 D Avenue
Limon, CO 80826

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 October 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. 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 October 15, 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 **October 15, 2013, the Applicant may request that an administrative hearing be scheduled beginning October 15, 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: September 27, 2013

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

Attorneys for Bonanza:
J. Michael Morgan
Justin Plaskov
Lohf Shaiman Jacobs Hyman & Feiger PC
950 South Cherry Street, Suite 900
Denver, Colorado 80246
(303) 753-9000
(303) 753-9997 (fax)
mmorgan@lohfsheiman.com