

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

IN THE MATTER OF THE APPLICATION OF BLACK) CAUSE NO. 1
RAVEN ENERGY, INC. FOR AN INACTIVE WELL)
FINANCIAL ASSURANCE VARIANCE FOR THE) DOCKET NO. 1403-GA-02
ADENA FIELD, MORGAN COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Rule 326.b. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that a mechanical integrity test on each shut-in well within two years of the initial shut-in date. A mechanical integrity test shall be performed on each shut-in well on five year intervals from the date the initial mechanical integrity test was performed. If, at any time, surface equipment is removed or the well becomes incapable of production, a mechanical integrity test must be performed within thirty days.

Rule 707.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that to the extent that an operator's inactive well count exceeds such operator's financial assurance amount divided by ten thousand dollars (\$10,000) for inactive wells less than three thousand (3,000) feet in total measured depth or twenty thousand dollars (\$20,000) for inactive wells greater than or equal to three thousand (3,000) feet in total measured depth, such additional wells shall be considered "excess inactive wells." For each excess inactive well, an operator's required financial assurance amount under Rule 706 shall be increased by ten thousand dollars (\$10,000) for inactive wells less than three thousand (3,000) feet in total measured depth or twenty thousand dollars (\$20,000) for inactive wells greater than or equal to three thousand (3,000) feet in total measured depth. Rule 707.a requirement shall be modified or waived if the Commission approves a plan submitted by the operator for reducing such additional financial assurance requirement, for returning wells to production in a timely manner, or for plugging and abandoning such wells on an acceptable schedule.

On January 7, 2014, Black Raven Energy, Inc. ("Black Raven" or "Applicant"), filed with the Commission a request for a Variance from Rule 326.b. and Rule 707.a. for its inactive wells and requests an Agreement with the Oil and Gas Conservation Commission wherein it will acknowledge the shut-in and temporarily abandoned wells. Black Raven currently has 158 wells within the Adena Field, 20 wells are producing, 14 are active injection wells, 124 are "inactive wells". Black Raven currently has \$500,000 in financial assurance, which is the equivalent of 25 inactive wells. Black Raven has 99 "excess inactive wells" and is required to post \$1,980,000 in additional financial assurance. Black Raven requests that the \$1,980,000 requirement be modified by the Commission approving its plan for reducing the requirement by returning the inactive wells to production in a timely manner, or by plugging and abandoning such wells on an acceptable schedule.

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, March 17, 2014
Tuesday, March 18, 2014

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 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 3, 2014, 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 March 3, 2014.** 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 3, 2014, the Applicant may request that an administrative hearing be scheduled beginning March 4, 2014.** 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: January 30, 2014

Colorado Oil and Gas Conservation Commission
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