

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

IN THE MATTER OF THE APPLICATION OF) CAUSE NO. 407
MINERAL RESOURCES, INC. FOR AN ORDER TO)
AMEND ORDER NO. 407-816, TO APPROVE AN) DOCKET NO. 1403-GA-04
AGREEMENT FOR UNIT OPERATIONS WITHIN AN)
APPROXIMATE 480-ACRE DESIGNATED)
HORIZONTAL DRILLING AND SPACING UNIT)
ESTABLISHED FOR SECTIONS 5 AND 6, TOWNSHIP)
5 NORTH, RANGE 65 WEST, 6TH P.M., FOR THE)
CODELL AND NIOBRARA FORMATIONS,)
WATTENBERG FIELD, WELD COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993) which, among other things, established 80-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, with the permitted well locations in accordance with the provisions of Order No. 407-1. Sections 5 and 6, Township 5 North, Range 65 West, 6th P.M. are subject to this Order for the Codell and Niobrara Formations.

On April 27, 1998 (As of February 1, 2014), the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. Sections 5 and 6, Township 5 North, Range 65 West, 6th P.M. are subject to Rule 318A for the Codell and Niobrara Formations.

On July 29, 2013, the Commission entered Order No. 407-816, which pooled all interests within an approximate 480-acre horizontal drilling and spacing unit established for Sections 5 and 6, Township 5 North, Range 65 West, 6th P.M., and approved cost recovery from any nonconsenting interests pursuant to §34-60-116(7), C.R.S. for the drilling of the DT-Forbes 1-5-6, DT-Forbes 2-5-6, DT-Forbes 3-5-6, DT-Forbes 4-5-6 and the DT-Forbes 5-5-6 Wells, for the development and operation of the Codell and Niobrara Formations.

Rule 401. of the Rules and Regulations of the Oil and Gas Conservation Commission, states 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 January 16, 2014, Mineral Resources, Inc. ("Mineral" or "Applicant"), by its attorneys, filed with the Commission pursuant to §34-60-116, C.R.S., §34-60-118, C.R.S. and Rule 401 for an order to amend Order No. 407-816 to approve an agreement for unit operations pursuant to §34-60-118, C.R.S. for the below-described unit ("Application Lands"), and to provide that operations conducted after cost recovery be governed by a specific Joint Operating Agreement ("JOA") approved by the Commission, to ensure a just and equitable share of production to each interest owner, to protect coequal and correlative rights, to protect public health, safety, welfare, the environment and wildlife resources through a fair and more practicable procedure for unit operations after cost recovery. The JOA also creates a procedure for the Operator to withhold a portion of proceeds, out of production, to establish a reserve fund to cover future

plugging and abandoning liabilities for the post cost recovery period:

Township 5 North, Range 65 West, 6th P.M.
Section 5: SW¼
Section 6: S½

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, 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 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: February 18, 2014

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