

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

IN THE MATTER OF THE PROMULGATION) CAUSE NO. 112
AND ESTABLISHMENT OF FIELD RULES TO)
GOVERN OPERATIONS FOR THE FRUITLAND) DOCKET NO. 1409-UP-270
COAL FORMATION, IGNACIO-BLANCO FIELD,)
LA PLATA COUNTY, COLORADO)

SECOND NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 32 North, Range 7 West, N.M.P.M.

Section 20: All

Section 21: W $\frac{1}{2}$ NW $\frac{1}{4}$, Lot 4 (aka W $\frac{1}{2}$ W $\frac{1}{2}$)

APPLICATION

On July 17, 2014 (amended September 29, 2014), Burlington Resources Oil & Gas Company LP, a subsidiary of ConocoPhillips Company ("Burlington" or "Applicant") filed a verified amended application pursuant to §34-60-116, C.R.S., for an order to:

1) Pool all interests in the approximate 607.19-acre exploratory drilling and spacing unit established for the Application Lands, for the development and operation of the Fruitland Coal Formation; and

2) Subject any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date that any of the costs specified in §34-60-116(7)(b), C.R.S., were first incurred for the drilling of the initial horizontal well (API No. to be determined).

APPLICABLE RULES AND ORDERS

(available online at: <http://cogcc.state.co.us>, under "ORDERS")

- On July 16, 1979, Order No. 112-46 amended Order No. 112-6 and approved an additional well for an approximate 320-acre drilling and spacing unit, for the production of oil, gas, and associated hydrocarbons from the Fruitland-Pictured Cliffs, Dakota-Morrison, and Mesaverde Formations. Order No. 112-46 does not affect this Application.
- On June 17, 1988, Order No. 112-60 approved the Fruitland Coal Seams as a separate source of supply and established 320-acre drilling and spacing units with one well at a designated location for each unit.
- On August 15, 1988, Order No. 112-61 amended parts of Order No. 112-60 and established rules for the production of coalbed methane in the Fruitland Coal Seams.

- On December 17, 1990, Order No. 112-85 approved two additional field rules applicable to all wells producing from the Dakota, Mesaverde, Fruitland Pictured Cliffs, and Fruitland Coal Formations.
- On July 9, 1998, Order No. 112-145 amended Order No. 112-61 and approved additional wells in irregular drilling and spacing units in Township 32 North, Ranges 8 and 9 West, N.M.P.M., for the production of oil, gas, and associated hydrocarbons from the Fruitland Coal seams.
- On April 24, 2000, Order No. 112-157 approved additional wells for 320-acre drilling and spacing units established for the Township 32 North, Ranges 5-7 West, Township 33 North, Ranges 6-11 West, and Township 34 North, Ranges 6-10 West, N.M.P.M., south of the Ute Line, for the production of oil, gas, and associated hydrocarbons from the Fruitland Coal Formation.
- On October 31, 2005, Order No. 112-181 approved up to four wells in each 320-acre drilling and spacing unit in certain lands in Townships 32 through 34 North, Ranges 7 through 9 West, N.M.P.M., for the development of the Fruitland coal seams.
- On November 27, 2006, Order No. 112-197 allowed an optional third or fourth well, for a total of up to four wells, to be drilled in each 320-acre drilling and spacing unit for certain lands in Townships 32 through 34 North, Ranges 7 and 9 through 11 West, N.M.P.M., for the production of methane gas from the Fruitland Coal seams.
- The Amended Application is submitted to the Commission in accordance with the terms of the Memorandum of Understanding dated August 22, 1991 between the Bureau of Land Management and the Commission, and in accordance with a separate Memorandum of Understanding dated August 22, 1991 between the Bureau of Indian Affairs, the Bureau of Land Management, and the Southern Ute Indian Tribe.
- On July 17, 2014 (amended September 30, 2014), Applicant filed a concurrent Application (Docket No. 1409-SP-2105) for an order to: 1) vacate three approximate 320-acre drilling and spacing units established by Order No. 112-60 as it applies to the Application Lands, and 2) establish an approximate 607.19-acre drilling and spacing unit and approve up to one well within the unit, for the production of oil, gas, and associated hydrocarbons from the Fruitland Coal Formation.

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 27, 2014
 Tuesday, October 28, 2014

Time: 9:00 a.m.

Place: Durango Public Library
 1900 E. 3rd Avenue

Durango, CO 81301

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.

At hearing, the Commission will consider the Application and enter an order pursuant to its authority under the statute. **Any interested party desiring to protest or intervene should file with the Commission a written protest or intervention in accordance with Rule 509, no later than October 13, 2014.** 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 13, 2014.** Pursuant to Rule 511, if the matter is uncontested, it may be approved without a hearing, based on review of the merits of the verified application and supporting exhibits.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By


Robert J. Frick, Secretary

Dated: September 30, 2014

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