

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

IN THE MATTER OF ALLEGED VIOLATIONS OF) CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE)
COLORADO OIL AND GAS CONSERVATION) DOCKET NO. 1410-OV-71
COMMISSION BY HALCYON EXPLORATION)
COMPANY, LLC, KIOWA AND PROWERS)
COUNTY, COLORADO)

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Pursuant to Rule 522.c., the Colorado Oil and Gas Conservation Commission ("Commission" or "COGCC") Staff will apply to the Commission at its October 28-29, 2014 hearing for an Order Finding Violation ("OFV") against Halcyon Exploration Company, LLC ("Halcyon") (Operator No. 10147) pursuant to the allegations made in the below-described Notices of Alleged Violation ("NOAVs").

Halcyon is the operator of the Neugebauer #1 Well (API # 05-061-06826) located in Kiowa County and the Lord #1 Well (API # 05-099-06887) located in Prowers County (collectively the "Wells"). Neither of the Wells has satisfied COGCC Rules of Practice and Procedure, 2 CCR 404-1 ("Rule") 1004 which establishes final reclamation standards. Additionally, Halcyon has failed to file a Form 5 within 30 days of plugging the Neugebauer Well, as required by Rule 308A.

On March 17, 2014, Commission Staff issued NOAV No 2450978 to Halcyon, alleging violation of Rule 308A. On July 24, 2014, Commission Staff issued NOAV Nos. 400650567 and 400650507 to Halcyon, alleging violations of Rule 1004.

COGCC staff requests that Halcyon be found in violation of rules cited above and assessed a penalty pursuant to Rule 523, and other relief as authorized by law. In the event Halcyon fails to respond to this Notice, staff will be requesting an order foreclosing existing financial assurances for each well and claiming both the principal and any accrued, but undisbursed, interest that may exist, supplemented as may be necessary by funds from the Oil and Gas Conservation and Environmental Response Fund, to plug and abandon the Wells and reclaim the Well sites and associated facilities. Additionally, staff will request an order stating that until any fine or corrective action imposed by the Commission is satisfied, COGCC Staff should be authorized to deny any application for permit-to-drill, any Certificate of Clearance and/or Change of Operator, Form 10, or other permit for conducting oil and gas operations filed by Halcyon, or any related entity in which Halcyon, or its officers or shareholders, has any affiliation, or exercises any control.

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado (Commission) under § 34-60-105 C.R.S.; 2) specific powers granted pursuant to § 34-60-106 C.R.S.; 3) the Colorado Administrative Procedures Act at § 24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2CCR 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

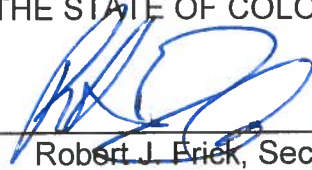
In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

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 10, 2014, briefly stating the basis of the protest or intervention. One electronic, 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 10, 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.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By



Robert J. Brick, Secretary

Dated: September 22, 2014

Colorado Oil and Gas Conservation Commission
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