

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. 151000610  
ADENA FIELD, MORGAN COUNTY, COLORADO )  
) TYPE: GENERAL  
) ADMINISTRATIVE

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION

Black Raven Energy, Inc., a subsidiary of EnerJex Resources, Inc. (Operator No. 10203) ("BRE" or "Applicant") filed a verified application, pursuant to Commission Rule 502.b.(1) for a variance from Order No. 1-186 to:

1) Modify Order No. 1-186 for year 2015 to require Applicant to perform mechanical integrity tests on twenty-eight wells within the Adena Field, and waive the requirement to return to active status or plug and abandon twenty wells within the Adena Field.

APPLICABLE RULES AND ORDERS

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

- 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 March 17, 2014, the Commission entered Order No. 1-186 which, among other things, required Applicant to plug and abandon, return to production, convert to injection

or otherwise complete for the purpose of enhanced oil recovery, twenty (20) wells per calendar year starting in 2014, through 2018. If Black Raven failed to plug and abandon, return to production, convert to injection or otherwise complete for the purpose of enhanced oil recovery, 20 wells per calendar year, Black Raven would be required to increase its bond by \$20,000 multiplied by the difference between 20 and the number of wells it plugged and abandoned, returned to production, converted to injection or otherwise completed for the purpose of enhanced oil recovery. If Black Raven claimed that such an extension is necessary, it will notify the COGCC staff, in writing, of the conditions that justify the extension and the date the condition commenced and ceased. COGCC Staff may, in its discretion, approve the extension requested.

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 26, 2015  
Tuesday, October 27, 2015

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.

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 9, 2015.** 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 12, 2015.** Pursuant to Rule 511., if the matter is uncontested, it may be approved without a hearing.

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

By  \_\_\_\_\_  
Julie Murphy, Secretary

Dated: September 18, 2015

Colorado Oil and Gas Conservation Commission  
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