

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

IN THE MATTER OF THE APPLICATION OF) CAUSE NO. 531
BLACK RAVEN ENERGY, INC. FOR AN INACTIVE)
WELL FINANCIAL ASSURANCE VARIANCE FOR) DOCKET NO. 161200544
THE ADENA FIELD, MORGAN COUNTY,)
COLORADO) TYPE: GENERAL ADMINISTRATION

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION

On October 13, 2016, 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 2016 to require Applicant to perform mechanical integrity tests on 21 wells within the Adena Field on or before December 31, 2016, and waive the requirement to return to active status or plug and abandon 20 wells within the Adena Field.

APPLICABLE ORDERS AND RULES

(available online at: <http://cogcc.state.co.us>, under "Regulation," then select "Orders" or "Rules")

- 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, 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 §§ 34-60-101 to -130, C.R.S. and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled this matter for hearing on:

Date: December 12 and 13, 2016
Time: 9:00 a.m.
Place: Colorado Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, Suite 801
Denver, CO 80203

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately 3 days before the hearing.

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 November 28, 2016.** 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 November 28, 2016.** 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: October 31, 2016

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

Attorneys for Applicant:
James Parrot
Jillian Fulcher
Beatty & Wozniak, P.C.
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499
jparrot@bwenergylaw.com
jfulcher@bwenergylaw.com