

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 112
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS IN THE FRUITLAND COAL) DOCKET NO. 170100081
FORMATION, IGANCIO-BLANCO FIELD, LA PLATA)
COUNTY, COLORADO) TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 35 North, Range 6 West, N.M.P.M.

Section 26: S½

Section 27: SE¼

APPLICATION

On December 1, 2016, BP America Production Company, Operator No. 10000, ("BP" or "Applicant") filed a verified application pursuant to §34-60-116, C.R.S., for an order to:

- 1) Establish an approximate 480-acre drilling and spacing unit, limited to and for the sole purpose of drilling the East Sauls Creek 26-2-1 Well, (No API No.), and East Sauls Creek 26-2-2 Well, (No API No.) ("Wells"), that overlays portions of the existing 320-acre drilling and spacing units underlying the Application Lands, for the production of oil, gas and associated hydrocarbons from the Fruitland Coal Formation;
- 2) Require that the productive interval of the wellbores be located no closer than 660 feet from the boundaries of the proposed unit, and no closer than 150 feet from any other producing well in the Fruitland Coal Formation, except that there shall be no setback between the proposed Wells, with no internal section line setbacks;
- 3) Exclude any existing or future wells, producing from the Fruitland Coal Formation, from the approximate 480-acre drilling and spacing unit; and
- 4) Applicant states that the production in existing or future wells shall be allocated according to the drilling and spacing unit in which the existing or future well is drilled;
- 5) Pool all interests in the approximate 480-acre drilling and spacing unit, for the development and operation of the Fruitland Coal Formation; and
- 6) Subject any non-consenting 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., are first incurred for the drilling of the East Sauls Creek 26-2-1 Well, (No API No.), and East Sauls Creek 26-2-2 Well, (No API No.) ("Wells").

APPLICABLE ORDERS AND RULES

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

- On June 17, 1988, the Commission entered Order No. 112-60 which established 320-acre drilling and spacing units for certain lands including the Application Lands, for the production of gas from the Fruitland coal seams, with the permitted well to be located no closer than 990 feet to any outer boundary of the unit, nor closer than 130 feet to any interior quarter section line, for the production of methane gas from the Fruitland coal seams.
- On August 15, 1988, the Commission entered Order No. 112-61 which amended parts of Order No. 112-60 and established rules, for the production of coalbed methane in the Fruitland coal seams for certain lands including the Application Lands, with the productive interval of the wellbore to be no closer than 990 feet to any outer boundary of the unit, and no closer than 130 feet to any interior quarter section line, without exception granted by the Director.
- On December 17, 1990 (Corrected November 7, 1999), the Commission entered Order No. 112-85 which established additional field rules for certain lands including the Application Lands for the development and operation of the Fruitland coal seams.
- On April 25, 2000, the Commission entered Order No. 112-156 which allowed an optional additional well to be drilled in certain lands including a portion of the Application Lands, with the permitted well to be located in any undrilled quarter section no closer than 990 feet to any outer boundary of the unit nor closer than 130 feet to any interior quarter section line, for the development and operation of the Fruitland coal seams.

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: January 30 & 31, 2017

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 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.

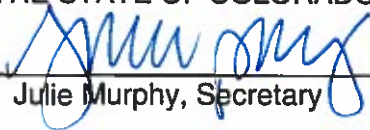
In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

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 January 13, 2017. 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 January 16, 2017.** 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: December 16, 2016

Colorado Oil and Gas Conservation Commission
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