

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

IN THE MATTER OF THE PAYMENT OF)	CAUSE NO: 1
PROCEEDS FROM PRODUCTION OF OIL)	
AND GAS AS ESTABLISHED BY SECTION)	DOCKET NO: 180300118
34-60-118.5, C.R.S., WATTENBERG FIELD,)	
CODELL / NIOBRARA / J SAND)	TYPE: GENERAL
FORMATIONS, WELD COUNTY,)	ADMINISTRATIVE
COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

WELLS

Stamp 31-2C (API No. 05-123-10615)

APPLICATION

On December 6, 2017, Incline Niobrara Partners, LP ("Incline" or "Applicant") filed a Form 38 Payment of Proceeds Hearing Request against Top Operating Co. ("Top") pursuant to C.R.S. §34-60-118.5 and Rule 503.b.(10), for an order to:

1. Declare that Top is in violation of C.R.S §34-60-118.5, with an emphasis on subsections 2(a), 2.3(c) and 2.3(f). Incline is owed an amount, yet to be determined, deriving from the payment of proceeds from the Stamp 31-2C wellbore.

2. Top is subject to the required reporting of accurate sales volumes (on a per month basis) of oil and gas, but has reported inaccurate sales volumes to Incline that contradict those reported to the COGCC. Top is also subject to the accurate payment of simple interest accrued by Incline's ownership in the Stamp 31-2C wellbore, which has yet to be paid by Top to Incline.

APPLICABLE STATUTE

• **C.R.S §34-60-118.5:**

(2)(a) Unless otherwise agreed pursuant to paragraph (b) of this subsection (2), payments of proceeds derived from the sale of oil, gas, or associated products shall be paid by a payer to a payee commencing not later than six months after the end of the month in which production is first sold. Thereafter, such payments shall be made on a monthly basis not later than sixty days for oil and ninety days for gas and associated products following the end of the calendar month in which subsequent production is sold. Payments may be made annually if the aggregate sum due a payee for twelve consecutive months is one hundred dollars or less.

(2.3) Notwithstanding any other applicable terms or arrangements, every payment of proceeds derived from the sale of oil, gas, or associated products shall be accompanied by information that includes, at a minimum:

Dated: February 12, 2018

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

Incline Niobrara Partners, LP
5019 N. Central Expy., Suite B
Dallas, TX 75205
info@inclineresources.com
(214) 274-3800

(c) The total quantity of product sold attributable to such payment, including the units of measurement for the sale of such product;

(f) The payee's interest in the sale, expressed as a decimal and calculated to at least the sixth decimal place.

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

Date: March 19-20, 2018

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission
The Chancery Building
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 March 5, 2018.** 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 March 5, 2018, if a prehearing conference is requested by the Applicant, or any person who has filed a protest or intervention.** 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 Spence Prine, Secretary