

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 FOR THE FRUITLAND) DOCKET NO. 180400352
FORMATION COAL SEAMS, IGNACIO-BLANCO)
FIELD, ARCHULETA COUNTY, COLORADO) TYPE: UNITIZATION

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 32 North, Range 4 West, N.M.P.M.

Section 7: E/2; E/2W/2; Lots 1 and 2 (W/2NW/4);
Lots 3 and 4 (W/2SW/4)
Section 8: S/2
Section 17: All
Section 18: Lots 1 and 2 (W/2NW/4); Lots 3 and 4
(W/2SW/4); NE/4; E/2NW/4; E/2SW/4;
SE/4
Section 19: Lots 1 and 2 (W/2NW/4); Lots 3, 4, 5,
and 6 (S/2); NE/4; E/2NW/4
Section 20: N/2; Lots 1, 2, 3, and 4 (S/2)

Township 32 North, Range 5 West, N.M.P.M.

Section 11: All
Section 12: All
Section 13: All
Section 14: All
Section 15: All
Section 23: N/2; Lots 1, 2, 3, and 4 (S/2)
Section 24: N/2; Lots 1, 2, 3, and 4 (S/2)

APPLICATION

On March 1, 2018, Red Willow Production Company (Operator No. 81295) ("Red Willow" or "Applicant"), a division of the Southern Ute Indian Tribe, filed a verified application pursuant to §34-60-118, C.R.S., for an order to:

- 1) Vacate all prior spacing units, setbacks and optional well authorizations within the Application Lands with respect to the Fruitland formation coal seams; and
- 2) Establish an approximate 7,389.15-acre unit pursuant to § 34-60-118, C.R.S., for the North Carracas Middle Pilot Unit, for production of gas from the Fruitland formation coal seams.

3) For any permitted well to be drilled in the North Carracas Middle Pilot Unit for production from the Fruitland formation coal seams, the productive interval of the well shall be located no closer than 200 feet from the unit boundary, and the productive interval of the well shall be no less than 150 feet from the productive interval of another well producing from the same formation.

4) All of the lands within the North Carracas Middle Pilot Unit are located within the exterior boundaries of the Southern Ute Indian Reservation ("Reservation") confirmed by Congress in the Act of May 21, 1984, Public Law No. 98-190; however, as a result of the patchwork of ownership of surface and mineral estates within the Reservation, certain of those lands are owned by non-Indians and certain of those lands are owned beneficially by the Tribe or individual Indian allottees and held by the United States in trust or restricted status.

5) The Commission has jurisdiction over the subject matter addressed in the Application under § 34-60-118, C.R.S., except to the extent that such jurisdiction is pre-empted by Federal law or infringes on the inherent powers of the Tribe over activities within the Reservation.

6) Insofar as the Application concerns lands within the jurisdiction of the Tribe, the Bureau of Land Management ("BLM"), or the Bureau of Indian Affairs ("BIA"), the Applicants are submitting the Application to the Commission in accordance with the terms of the Memorandum of Understanding dated August 22, 1991, between the BLM and the Commission and the separate Memorandum of Understanding dated August 22, 1991, between the BIA, the BLM and the Tribe (collectively, the "MOUs"). The MOUs establish a cooperative mechanism under which the Commission, with the consent of the Tribe, the BLM, and the BIA, considers matters under the Oil and Gas Conservation Act affecting Indian lands in which the Tribe and the United States have a governmental interest, and the Commission issues orders relative to such matters, subject to review and revision by the BLM.

APPLICABLE ORDERS AND RULES

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

- Order No. 112-60, entered June 17, 1988, established 320-acre drilling and spacing units for the production of gas from the Fruitland formation coal seams within the Ignacio-Blanco Field, with wells to be located no closer than 990 feet to any outer boundary of a spacing unit nor closer than 130 feet to any interior quarter section line.
- Order No. 112-61, entered August 15, 1988, amended Order No. 112-60 to reestablish 320 acre drilling and spacing units for production of gas from the Fruitland formation coal seams within the Ignacio-Blanco Field, clarified the effect of such spacing in relation to previous orders issued prior to issuance of Order No. 112-60 permitting optional second wells in certain spacing units, and addressed certain other operational matters.
- Order No. 112-88, entered February 19, 1991, established an area-wide water testing program and task group composed of representatives of the Commission, La Plata County, the Colorado Department of Health (Water Quality Control Division), Division of Water Resources, two local citizens, and two members of industry.
- Order No. 112-210, entered May 28, 2008, amended pre-existing 320-acre spacing and established multiple spacing units of various sizes to accommodate horizontal drilling in

the Fruitland formation coal seams in lands located in Township 32 North, Ranges 3, 4 and 5 West, N.M.P.M.

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:

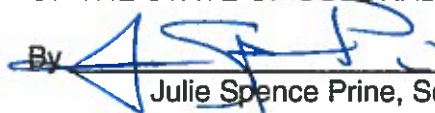
Date: April 30 - May 1, 2018
Time: 9:00 a.m.
Place: Colorado Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

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 April 16, 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 April 16, 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

Dated: March 23, 2018

Colorado Oil and Gas Conservation Commission
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