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The Daily Journal**McGraw-Hill, Inc.
Construction News
Publishing Network****Publisher's Affidavit
STATE OF COLORADO****City and County of Denver**

I, Al Slattery, of the City and County of Denver, State of Colorado, being duly sworn, upon oath say that I am the Publishing Director of The Daily Journal; that I have personal knowledge of all the facts set forth in this affidavit; that said The Daily Journal is a public newspaper of general circulation having its principal office and place of business situated in said City and County of Denver; that said The Daily Journal is printed and published daily except Saturdays, Sundays and legal holidays; that said The Daily Journal is a daily newspaper within the meaning of the act of the General Assembly of the State of Colorado, approved April 7, 1921, and entitled, "An Act Concerning Legal Notices, Advertisements and Publications, and the Fees of Printers and Publishers Thereof, and to Repeal All Acts and Parts of Acts in Conflict with the Provisions of This Act," approved March 30, 1923, and as amended by an act of said General Assembly, approved May 18, 1931, entitled, "An Act to Amend An Act Entitled 'An Act Concerning Legal Notices, Advertisements and Publications, and the Fees of Printers and Publishers Thereof and to Repeal All Acts and Parts of Acts in Conflict with the Provisions of This Act,'" approved March 30, 1923, and as amended by an act of said General Assembly, approved May 18, 1931, entitled, "An Act to Amend Section 4 of Chapter 139, Session Laws of Colorado, 1923, Relating to Legal Notices and Advertisements," which said Act took effect on and after the first day of January, 1932, and as amended by an act of said General Assembly, entitled, "An Act to Amend Chapter 139 of the Session Laws of 1923 Relating to Legal Notices and Advertisements; to Define Newspapers Qualified to Publish Legal Notices and Advertisements and the Fees of Printers and Publishers Thereof, and to Provide That the Costs of Such Legal Notices and Advertisements Shall Be Taxed as Fees," approved March 5, 1935; and as amended by an act of said General Assembly entitled, "An Act Relating to Legal Notices and Advertisements, and Amending Section 1, of Chapter 113, Session Laws of 1931," approved March 25, 1935; and "An Act to Amend and as Amended by the General Assembly, concerning 'Rates for Legal Publications,' 109-1-7 C.R.S. 1983 as amended, approved May 22, 1971, and effective January 1, 1972" that said newspaper had, prior to January 1, 1938, and has ever since said date, been admitted to the United States Mails as second class matter under the provisions of the Act of March 3, 1879, or any amendments thereof; that said newspaper is printed and published in whole in said City and County of Denver and has a general circulation therein; that said newspaper has been so printed and published as a public daily newspaper of general circulation in said City and County of Denver, uninterruptedly and continuously during the period of more than fifty-two consecutive weeks next prior to the first issue thereof containing the annexed legal notice and advertisement; that said legal notice and advertisement was published daily except Saturdays, Sundays and legal holidays in the regular edition of said newspaper for one day, that the publication of said legal notice and advertisement appeared in the regular

edition of said newspaper on the 15th day of June, A.D. 2001; and that therefore, said legal notice and advertisement was duly published in a newspaper duly qualified for that purpose within the meaning of said above-mentioned acts of the General Assembly of the State of Colorado.

Subscribed and sworn to, at the City and County of Denver, State of Colorado, before me, a Notary Public, this 19th day of June, A.D. 2001.

Witness my hand and Notarial seal.

Notary Public

My Commission Expires January 5, 2003

2000 S. Colorado Boulevard, #2000
Denver, Colorado 80222

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**NOTICE OF HEARING
BEFORE THE OIL AND GAS
CONSERVATION COMMISSION OF
THE STATE OF COLORADO
CAUSE NO. 1****ORDER NO. 0107-EX-02**

**IN THE MATTER OF GRANTING OF
A VARIANCE TO THE RULES
AND REGULATIONS OF THE
COLORADO OIL AND GAS
CONSERVATION COMMISSION
IN WELD COUNTY, COLORADO.
TO ALL INTERESTED PARTIES AND
TO WHOM IT MAY CONCERN:**

On September 26, 2000, Matrix Energy, LLC ("Matrix") filed its Application for a Permit To Drill the Kuettel #14-10 Well located in the SW1/4 SW1/4 of Section 10, Township 5 North, Range 65 West, 6th P.M. The Application was approved by the Colorado Oil and Gas Conservation Commission ("COGCC") staff on November 9, 2000. Because the Applicant believed that one house was within the 350 foot minimum setback within a high density area, it sought and obtained the waiver to the setback from the owner of that house. It was subsequently discovered that two additional houses, owned by Vicky Holmes and by Donovan and Janel Sharpe, were located within the prescribed 350 foot setback. Applicant obtained the waiver from Vicky Holmes, but could not obtain the waiver from the Sharpes, whose house is located approximately 281 feet from the location of the well.

The well has been drilled to total depth in the Codell-Niobrara Formation but has not yet been completed. COGCC staff issued a Notice of Alleged Violation ("NOAV") on May 7, 2001, requiring that the Sharpe's consent and waiver be obtained as the condition to satisfy the NOAV. Good faith attempts have been made by Matrix, but Mr. Sharpe has indicated he would not sign a waiver without a payment of \$75,000.

On May 18, 2001, Matrix filed with the Commission a verified application for an order granting the Applicant a variance to complete and produce its well, notwithstanding that it is within the 350 foot minimum from a building unit. In the event the Commission so decides, it should impose a fine upon Matrix, as a condition of granting the variance.

Matrix is in technical violation of Rule 603.b(2) for failing to obtain the waiver, in the event it wishes to complete the well as a producing well. The Applicant believes that the production facility will have no adverse effect upon the party who refuses to grant a waiver and therefore requests the Commission grant a variance under Rule 502.b. because prohibiting production from the well would constitute waste.

NOTICE IS HEREBY GIVEN, that the Oil and Gas Conservation Commission of the State of Colorado, pursuant to the above, has scheduled the above-entitled matter for hearing on:

Date: Monday, July 9, 2001
Tuesday, July 10, 2001
Time: 8:30 a.m.
Place: Suite 801,
The Chancery Building
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 Pauline Leung Kahler at (303) 894-2100 ext. 114 prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate and necessary to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene should file with the Commission a written protest or a notice to intervene no later than June 25, 2001, briefly stating the basis of the protest or intervention. Such interested party shall, at the same time, serve a copy of the protest or notice to intervene to the person filing the application. An original and nine (9) copies shall be filed with the Commission. Pursuant to Rule 503.e., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules.

**IN THE NAME OF THE STATE OF
COLORADO
OIL AND GAS CONSERVATION
COMMISSION
OF THE STATE OF COLORADO
By Patricia C. Beaver, Secretary
Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
June 7, 2001**

Attorney for Applicant:
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