

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

IN THE MATTER OF THE APPLICATION )  
OF GUNNISON ENERGY CORPORATION FOR )  
AN EXTENSION OF TIME FOR PERMITS-TO-DRILL, )  
DELTA COUNTY, COLORADO )

CAUSE NO. 1

DOCKET NO. 0306-GA-04

NOTICE OF HEARING



01122369

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On July 3, 2002, Richard Griebing, Director of the Colorado Oil and Gas Conservation Commission ("COGCC"), approved Gunnison Energy Corporation's ("GEC") Applications for Permits to Drill ("APDs") the Spaulding Peak #1 Well, located in the SW¼ NW¼ of Section 24, Township 12 South, Range 94 West, 6<sup>th</sup> P.M., the Dever Creek #1 Well, located in the SE¼ NW¼ of Section 12, Township 13 South, Range 93 West, 6<sup>th</sup> P.M., and the Lone Pine #1 Well, located in the SE¼ NW¼ of Section 25, Township 12 South, Range 91 West, 6<sup>th</sup> P.M. On July 15, 2002 Director Griebing approved GEC's APD for the Stevens Gulch #1 Well, located in the SE¼ NE¼ of Section 1, Township 13 South, Range 92 West, 6<sup>th</sup> P.M.

On July 22, 2002, the Delta County Board of County Commissioners ("BOCC") adopted Resolution 2002-R-025. This resolution denied GEC's request for a county permit and approval to commence operations on the four wells listed above. In addition, the resolution proposed to approve GEC's request to commence operations on the Lone Pine #1 Well if GEC agreed to comply with numerous conditions different from and in addition to conditions imposed by the Commission.

On August 2, 2002, the BOCC, Mr. Bruce Bertram, the Delta County Local Governmental Designee, and others filed a lawsuit in Denver District Court, Case No. 02-CV-5735, against Director Griebing, the Commission, and GEC. Among other things, the plaintiffs challenged the propriety of the Commission's approval of the four (4) APDs and asserted the county has the power to condition or prohibit certain oil and gas operations approved by the Commission. This lawsuit is ongoing.

On March 18, 2003, the District Court of the City and County of Denver found and ordered that the denial of the four (4) wells by the County, to the extent that such denial was based on water consideration, was disapproved.

On April 21, 2003, following this ruling, Delta County reconsidered its position and issued Resolution No. 2003-R-016, which approved the four (4) wells subject to the terms and conditions set forth in the Delta County Development Agreement.

On April 24, 2003, GEC, by its attorney, filed with the Commission a verified application for an order for a variance extending the time within which GEC may commence operations on the Spaulding Peak #1 Well, the Dever Creek #1 Well and the Lone Pine #1 Well from July 3, 2003 until July 3, 2004 and on the Stevens Gluch #1 Well from July 15, 2003 until July 15, 2004. GEC certifies that no material change in its application or approved drilling and reclamation plan has been made, other than those previously filed with the Commission, which render is application outdated or otherwise infirm.

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: Tuesday, June 3, 2003  
Time: 8:00 a.m.  
Place: Conference Center, Holiday Inn Express  
2121 E. Main St.  
Cortez, CO 81321

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 Audra Serlet 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 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 on the application should file with the Commission a written protest or intervention no later than May 19, 2003, briefly stating the basis of the protest or intervention. Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and nine (9) copies shall be filed with the Commission (Rule 503.f.). 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 accordance with the practices of the Commission, should no protests or interventions be filed in this matter by May 19, 2003, the Applicant may request that an administrative hearing be scheduled for the week of May 19, 2003.

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  
April 25, 2003

Attorney for Applicant:  
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