

The Daily Journal

A Publication Of
The McGraw-Hill Companies

Publisher's Affidavit STATE OF COLORADO

I John Rhoades 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" and as amended by an act of said General Assembly 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 1931 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 17 C.R.S. 1963 as amended approved May 22 1971 and effective January 1 1972 that said newspaper had prior to January 1 1936 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 20th day of August A.D. 2008 and that therefore said legal notice and advertisement was duly published in a newspaper duly qualified for the 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 20th day of August A.D. 2008

Witness my hand and Notary seal

Notary Seal
Notary Public

My Commission Expires July 9 2011

1114 West 7th Avenue Suite 100
Denver Colorado 80204 4455



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

CAUSE NO. 449-14

DOCKET NO. 10808-EX-05

IN THE MATTER OF THE PROMULGATION AND ESTABLISHMENT OF FIELD RULES TO GOVERN OPERATIONS IN THE ARAPAHOE FIELD, CHEYENNE COUNTY, COLORADO
TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN

On August 15, 1988 the Commission issued Order No. 449-14 which among other things established 80-acre drilling and spacing units for certain lands including Section 33 Township 14 South, Range 42 West 6th P.M. for production of gas and associated hydrocarbons from the Morrow Formation, with the permitted well to be located in the center of the NE 1/4 and the SW 1/4 of each quarter section with a tolerance of 200 feet in any direction.

On July 28, 2008, Direct Petroleum Exploration, Inc. by its attorney, filed with the Commission a verified application for an order seeking an exception location to Order No. 449-14 for the Shirley Rother #1 Well which was drilled in the SE 1/4 SW 1/4 of Section 33, Township 14 South, Range 42 West 6th P.M. such well being located 1538 feet F.W.L. and 693 feet F.S.L. for the production of gas and associated hydrocarbons from the Morrow Formation. This well was drilled under an Application for a Permit to Drill approved by the Colorado Oil and Gas Conservation Commission staff. Subsequent to the drilling of the well, Applicant was notified that a danger had been made in approving this location due to inconsistent well location requirements under an existing order of the Commission and requested that Applicant file an exception location request.

The Shirley Rother #1 Well was completed as a producer from the Morrow Formation but is under production restrictions as a result of the Commission's Order No. 449-14. As a result of the high porosity and permeability of the Morrow Formation within which the Shirley Rother #1 Well was completed, this well is uneconomic to produce because of production restrictions. If production restrictions are rescinded, the well will be economic to produce. Applicant therefore requests that the production restrictions applicable under the Commission's Order No. 449-14 be rescinded as they apply to the application lands and that the Shirley Rother #1 Well be approved as an exception location for the 80-acre drilling and spacing unit consisting of the E 1/4 SW 1/4 of said Section 33.

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, September 22, 2008
Tuesday, September 23, 2008
Time 9:00 a.m.
Place Suite 801, The Chancery Building
1120 Lincoln Street
Denver, Colorado 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 Margaret Himecki at (303) 894-2100 ext. 139, 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 September 8, 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 13 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 September 8, 2008. Pursuant to Rule 503 f, 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 September 8, 2008, the Applicant may request that an administrative hearing be scheduled during the week of September 8, 2008. In the alternative, pursuant to Rule 511 b, if the matter is uncontested, the applicant may request, and the Director may recommend approval on the basis of the merits of the verified application and the supporting exhibits.

IN THE NAME OF THE STATE OF COLORADO
OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By Patricia C. Beaver Secretary

Attorney for Applicant

William A. Keefe

Beatty & Wozniak, P.C.

216 Sixteenth Street, Suite 1100

Denver, CO 80202

(303) 407-4499

Published August 20, 2008 in The Daily Journal

413

AFFIDAVIT OF PUBLICATION

STATE OF COLORADO }

COUNTY OF CHEYENNE }

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Nancy Bezenhagen
deposes and says

being duly sworn,

1. That she is the publisher of THE RANGE LEDGER and CHEYENNE WELLS RECORD, a weekly newspaper published in the Town of Cheyenne Wells, County of Cheyenne and State of Colorado

2 That the said THE RANGE LEDGER and CHEYENNE WELLS RECORD is printed and published at regular intervals, one each week on Thursday, and that it has a general circulation in the County of Cheyenne and elsewhere

3. That the said The Range Ledger and Cheyenne Wells Record was established and has been published in said County uninterruptedly and continuously during the period of at least fifty-two consecutive weeks prior to the first issue thereof containing said *CAUSE No. 449*, copy of which is hereto attached

4 That the said THE RANGE LEDGER and CHEYENNE WELLS RECORD is a weekly newspaper within the meaning of "An Act Concerning Legal Notice, Advertisements and Publications and Fees of Printers and Publishers Thereof and to Repeal all Acts and Parts of Acts in conflict with the Provisions of this Act", being Chapter 139 of the Session Laws of Colorado of 1923 as amended by Chapter 113 of the Sessions Laws of Colorado of 1931 The act amended and repealed by Chapter 139 of the Session Laws of Colorado of 1921, the same sections 5392 to 5400, both inclusive, of the Compiled Laws of the State of Colorado of 1921

5 That the said annexed *CAUSE No. 449* was published in the regular and entire edition of THE RANGE LEDGER and CHEYENNE WELLS RECORD, a duly qualified weekly newspaper for the purpose, within the terms and meaning of the above named Acts

6 That the said annexed *CAUSE No. 449* is a full, true and correct copy of the original which was regularly published in each of the regular and entire issues of said newspaper, a legally qualified paper for that purpose, once each week, on the same day of each week, for *ONE* successive weeks by *ONE* insertions and that first publication thereof was in the issue dated *August 21, 2008* and that the last publication was in the issue dated *August 21, 2008*

Nancy Bezenhagen

Publisher

Subscribed and sworn to before me this

26th

day of

Aug.

2008

Karen C. Padilla

NOTARY PUBLIC

My Commission Expires

SEP 13 - 2010

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

IN THE MATTER OF THE PROMULGATION AND
ESTABLISHMENT OF FIELD RULES TO GOVERN
OPERATIONS IN THE ARAPAHOE FIELD,
CHEYENNE COUNTY, COLORADO

) CAUSE NO. 449

) DOCKET NO. 0809-EX-05

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On August 15, 1988, the Commission issued Order No. 449-14, which among other things, established 80-acre drilling and spacing units for certain lands including Section 33, Township 14 South, Range 42 West, 6th P.M. for production of gas and associated hydrocarbons from the Morrow Formation, with the permitted well to be located in the center of the NE $\frac{1}{4}$ and the SW $\frac{1}{4}$ of each quarter section with a tolerance of 200 feet in any direction.

On July 28, 2008, Direct Petroleum Exploration, Inc. by its attorney, filed with the Commission a verified application for an order seeking an exception location to Order No. 449-14, for the Shirley Rother #1 Well, which was drilled in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 33, Township 14 South, Range 42 West, 6th P.M., such well being located 1538 feet FWL and 693 feet FSL for the production of gas and associated hydrocarbons from the Morrow Formation. This well was drilled under an Application for a Permit-to-Drill approved by the Colorado Oil and Gas Conservation Commission staff. Subsequent to the drilling of the well, Applicant was notified that an error had been made in approving this location due to inconsistent well location requirements under an existing order of the Commission and requested that Applicant file an exception-location request.

The Shirley Rother #1 Well was completed as a producer from the Morrow Formation but is under production restrictions as a result of the Commission's Order No. 449-14. As a result of the high porosity and permeability of the Morrow Formation within which the Shirley Rother #1 Well was completed, this well is uneconomic to produce because of production restrictions. If production restrictions are rescinded, the well will be economic to produce. Applicant therefore requests that the production restrictions applicable under the Commission's Order No. 449-14 be rescinded as they apply to the application lands and that the Shirley Rother #1 Well be approved as an exception location for the 80-acre drilling and spacing unit consisting of the E $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 33.

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Tuesday, September 23, 2008
Time: 9:00 a.m.
Place: Suite 801, The Chancery Building
1120 Lincoln Street
Denver, Colorado 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 Margaret Humecki at (303) 894-2100 ext. 139, 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 September 8, 2008 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 13 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 September 8, 2008. Pursuant to Rule 503.f., 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 September 8, 2008, the Applicant may request that an administrative hearing be scheduled during the week of September 8, 2008. In the alternative, pursuant to Rule 511.b., if the matter is uncontested, the applicant may request, and the Director may recommend approval on the basis of the merits of the verified application and the supporting exhibits.

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
August 18, 2008

Attorney for Applicant:
William A. Keefe
Beatty & Wozniak, P.C.
216 Sixteenth Street, Suite 1100
Denver, CO 80202
(303) 407-4499

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