



pennsylvania

DEPARTMENT OF ENVIRONMENTAL PROTECTION

March 18, 2014

Dear Property Owner:

You are receiving this notice because you have been identified as a “royalty owner or “other operator” as those terms are defined in Section 2 of the Pennsylvania Oil and Gas Conservation Law, 58 P.S. § 402, located within the area proposed for a well spacing order in Hilcorp’s Application for Gas Well Spacing Units (Application). We previously mailed you notice of an upcoming public hearing on this Application to be held on March 25 and March 26, 2014. We are contacting you now to notify you that the Hearing Officer in this matter issued an Order on March 17, 2014 relating to this hearing.

Please find this Order attached and note the following:

- (1) The location of the first session of the hearing has been moved to a larger hearing room. The hearing will be held in the Assembly Room of Albert P. Gettings Government Center Annex of the Lawrence County Government Center at 439 Countyline St., New Castle, PA 16101.
- (2) The hearing consists of two sessions. The first session will be held on March 25 and March 26, 2014. A second session will be held on a date and at a location to be determined.
- (3) All “royalty owners” and/or “other operators” have the opportunity to support, oppose and/or present their own plan of development at the first session on March 25 and March 26, 2014.
- (4) All “royalty owners” and/or “other operators” wishing to present testimony at the first session must contact Glenda Davidson at 717-787-4449 prior to March 25, 2014 and provide her your name, status as a “royalty owner” or “other operator”, address and phone number.
- (5) All interested persons will be offered an opportunity to be heard regarding the Application at the second session.

For information about the Oil and Gas Conservation Law and Hilcorp’s Application, visit www.dep.state.pa.us and click on “Oil and Gas,” “Office of Oil and Gas Management” and then “Conservation Law.” For more information, please contact me at 717-772-2199 or kklapkowski@pa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kurt Klappowski'.

Kurt Klappowski

Director, Bureau of Oil & Gas Planning and Program Management

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
OFFICE OF OIL AND GAS MANAGEMENT

In Re: The Matter of The Application of)
Hilcorp Energy Company for) Docket No. 2013-01
Well Spacing Units)

ORDER

AND NOW this 17th day of March, 2014, it is ordered and directed as follows:

1. The first session of the hearing shall be held as scheduled on March 25 and 26 2014 at the Albert P. Gettings Government Center Annex of the Lawrence County Government Center, Assembly Room, 439 Countyline St., New Castle, PA 16101 (First Session).

2. At the First Session, any and all "royalty owners" and/or "other operators" as those terms are defined in Section 2 of the Pennsylvania Oil and Gas Conservation Law (Oil and Gas Conservation Law), 58 P.S. Section 402, that are located within the proposed spacing order shall be given the opportunity to support, oppose and/or present their own plan of development as provided for in 25 Pa. Code Section 79.23(b).

3. DEP will mail a copy of this Order to the list of property owners provided by Hilcorp within two (2) days from the date of this Order. "Royalty owners" and/or "other operators" wishing to present testimony at the First Session shall contact Glenda Davidson at 717-787-4449 prior to March 25 and provide the following: name, status as a "royalty owner" and/or "other operator", address and phone number.

4. A second session of the hearing shall be held during the evening hours on a date to be determined and at a location to be determined (Second Session). At the Second Session, all interested persons shall be offered an opportunity to be heard regarding the proposed well spacing application as provided for in Section 10(b) of the Oil and Gas Conservation Law, 58 P.S. Section 410.

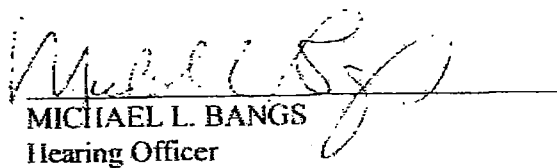
5. Within seven days (7) from the date of this Order, Hilcorp Energy Corporation (Hilcorp) and the Commonwealth of Pennsylvania, Department of Environmental Protection (DEP) shall submit to the Hearing Officer available dates for the Second Session.

6. Upon confirmation of the date(s) for the Second Session with all parties and the Hearing Officer, DEP shall reserve a suitable location for the Second Session and shall notify Hilcorp and the Hearing Officer of the suitable location. DEP shall reserve this location within two (2) days of finalization of a date for the Second Session between the parties and the Hearing Officer.

7. Upon receiving the available dates from Hilcorp and DEP and notification of a location from DEP, the Hearing Officer will issue an order setting forth the date, time and location of the Second Session.

8. Upon receipt of the Hearing Officer's order, identified in Paragraph 6 above, DEP shall provide a public notice indicating the date, time and location of the Second Session.

9. Interested persons wishing to present testimony at the Second Session are requested to contact Glenda Davidson at 717-787-4449 seven (7) days prior to the date of the Second Session to reserve a time to testify and provide the following: name, address, phone number and a brief statement of interest. Oral testimony will be limited to 5 minutes for each party. Witnesses will be requested to submit three written copies of their verbal testimony to the Hearing Officer. The purpose of the Second Session is to receive testimony on the Application. All testimony given at the Second Session will be on the record. Both DEP and Hilcorp may, if requested by the Hearing Officer, respond to any issues raised at the conclusion of the public testimony of the hearing. The parties, in their post-hearing written submissions to the Hearing Officer, will be given the opportunity to argue what weight, if any, shall be given to any of the testimony provided at either session.


MICHAEL L. BANGS
Hearing Officer