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Of Counsel

February 19, 2014

VIA EMAIL AND REGULAR MAIL

Donna Duffy, Esquire
Department of Environmental Protection
230 Chestnut Street
Meadville, PA 16335

Michael Braymer, Esquire
Department of Environmental Protection
230 Chestnut Street
Meadville, PA 16335

Elizabeth Nolan, Esquire
Department of Environmental Protection
400 Market Street, 9th Floor
Harrisburg, PA 17105

Kevin L. Colosimo, Esquire
Buleson LLP
Southpointe Center
501 Corporate Drive, Suite 105
Canonsburg, PA 15317

RE: Hilcorp Energy Company
Docket No. 2013-01
Department of Environmental Protection

Dear Counsel:

I am in receipt of your Joint Motion for a Protective Order. I have signed the Protective Order and have sent copies to all parties electronically and will forward the original in the mail.

In light of the completion of the Protective Order, I have modified the pre-hearing conference Order to remove any discussion about the issuance of a Protective Order. I am sending that to today as well electronically and by regular mail.

Very truly yours,


Michael L. Bangs

wks
Enclosures
cc: Glenda Davidson, Docket Clerk

**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)
Well Spacing Units) Docket No. 2013-01
)

ORDER

AND NOW this 17th day of Feb., 2014, having conducted a pre-hearing phone conference on January 30, 2014, it is ordered and directed as follows:

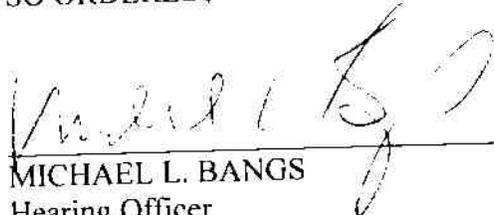
1. A hearing is scheduled for March 25 and March 26, 2014 at the Lawrence County Government Center, 430 Court Street, New Castle, Pennsylvania, 16101, Penn State Extension Conference Room. The hearing on March 25, 2014 shall commence at 10:00 a.m. and the hearing shall commence at 8:00 a.m. on March 26, 2014.
2. The parties shall provide each other with a final list of all witnesses they intend to call, both on direct and on rebuttal, no later than fifteen (15) days prior to the date of the hearing. The parties further should exchange all exhibits that they intend to present no later than seven (7) days prior to the hearing.
3. The Department of Environmental Protection ("DEP"), asserts that a hearing should not be scheduled because Hilcorp Energy Company ("Hilcorp") has provided a materially deficient and incomplete application. Hilcorp's position, at the time of the pre-hearing conference, is that it has or will provide any and all information sufficient to complete the application pending the entry of an appropriate Protective Order covering information that it deems proprietary. Subsequent to the pre-hearing conference and concurrent with this Order, the

parties have entered into a Joint Motion for a Protective Order and a Protective Order has been signed by this Hearing Officer as of February 19, 2014.

4. Hilcorp shall provide DEP with all documents that Hilcorp deems necessary to complete the application within seven (7) days of this Order and shall notify the Hearing Officer of the date when that information has been sent. Thereafter, DEP shall have seven (7) days upon receipt of the additional information from Hilcorp to either notify the Hearing Officer and Hilcorp that the application is complete and that the hearing as scheduled should move forward or file a Motion to Dismiss with the Hearing Officer stating why the hearing should not occur.

Should DEP file a Motion to Dismiss, then Hilcorp shall have seven (7) days in which to file an Answer and any New Matter indicating all reasons why the hearing should occur. Hilcorp is directed to include in this Answer and New Matter any and all matters that it raised in the pre-hearing conference related to any waiver that it believed to have occurred as a result of the DEP's alleged failure to hold the hearing within the applicable time frames as contained in the statutory framework which controls the disposition of this matter.

SO ORDERED,



MICHAEL L. BANGS
Hearing Officer

RTK Law, 65 P.S. §67.707(b), and Pennsylvania Rule of Civil Procedure 4012(9), Hilcorp shall also provide a written statement signed by a representative of Hilcorp stating: (1) that the designated document or material contains “confidential proprietary information” and/or a “trade secret” within the meaning of those terms under Section 102 of the Pennsylvania Right to Know Law (“RTK Law”), 65 P.S. § 67.102, and/or “a trade secret or other confidential research, development or commercial information” within the meaning of those terms under Pennsylvania Rule of Civil Procedure 4012(9); and (2) that “good cause” within the meaning of Rule 4012(9), exists for issuing an order to protect the document or material from disclosure to the public.

3. Except with the prior written consent of Hilcorp, pursuant to an order of the Hearing Officer after notice is provided in accordance with paragraph 13 below, or pursuant to an order of the Pennsylvania Office of Open Records or a Pennsylvania Court, all designated “confidential” documents or materials, and any information contained therein, shall not be disclosed by the party to which the documents or materials are produced or made known to any person other than the following:

- (a) The Pennsylvania Department of Environmental Protection (“Department”) and its employees involved in this matter;
- (b) counsel involved in this matter, and employees of counsel involved in this matter;
- (c) independent experts and consultants, and employees and clerical assistants of such experts and consultants, consulted by the Department, and its employees and counsel, to assist in the processing of Hilcorp’s Application for Well Spacing Units.

- (d) the Hearing Officer, the docket clerk, and their respective assistants and clerical employees, but to be submitted to such persons only under seal;
- (e) court reporters and their assistants and clerical employees retained by any party to record and/or transcribe testimony given in connection with this matter, but only to the extent disclosure is necessary to enable such reporters to perform their recording and/or transcribing functions; and
- (f) witnesses.

4. Before any person listed in paragraph 3, above, is shown or made aware of any documents or materials designated as “confidential,” that person must be given a copy of this protective order by counsel proposing to show that person the “confidential” document or material. No person reviewing or receiving any such “confidential” document or material shall disclose it or its contents to any person other than those identified in paragraph 3, above, and then only in accordance with the terms of this protective order.

5. Any documents or material designated as “confidential” that are disclosed or produced by Hilcorp in this matter, or in any motions, pleadings, affidavits, briefs, or other documents submitted to the Hearing Officer in this matter, shall be submitted under seal and shall be subject to this protective order. The docket clerk shall maintain under seal any such documents or material as “confidential,” and shall submit them to the Hearing Officer to be available only to the Hearing Officer and to other persons identified in paragraph 3, above, until further order of the Hearing Officer.

6. Except as otherwise ordered by the Pennsylvania Office of Open Records or a Pennsylvania Court, any “confidential” documents or materials that are disclosed or produced by Hilcorp in this matter, or disclosed or produced by any other person in accordance with

paragraph 3, above, shall be used by the receiving party or person for this matter only, and shall not be used or disclosed by the receiving party or other person for any other purpose, including any commercial or business purpose, or in any other litigation, except for that distribution of documents and material permitted in paragraph 3, above, and in accordance with the terms of this protective order. Before any person identified in paragraph 3, above, is given access to any designated documents or materials that are covered by the protective order, counsel for the parties shall advise the person of the requirements of this protective order.

7. Issues relating to the use of “confidential” documents or material at the hearing on this matter will be resolved among the parties, or by the Hearing Officer, if necessary, before the start of the hearing.

8. Neither the provisions of this protective order, nor any designation or failure to designate any particular document or material as “confidential” thereunder, shall, at any time, constitute a waiver of Hilcorp’s assertion that the document or material contains “confidential proprietary information” and/or a “trade secret” within the meaning of those terms under Section 102 of the Pennsylvania Right to Know Law (“RTK Law”), 65 P.S. § 67.102, and/or “a trade secret or other confidential research, development or commercial information” within the meaning of those terms under Pennsylvania Rule of Civil Procedure 4012(9). If Hilcorp initially produces any document or material without a “confidential” designation, it may thereafter within a reasonable time notify the receiving party that the document or material is to be considered “confidential” and subject to this protective order.

9. Except for any requests submitted to the Department that are governed by the requirements under Section 707(b) of the RTK Law, 65 P.S. §67.707(b), if any party or person who has received “confidential” documents or material in this matter receives from any person a

request for discovery, production, or review of a Department file of "confidential" documents or material, such person shall immediately notify counsel for Hilcorp of such request.

10. Insofar as the provisions of this protective order restrict communication and use of the documents and materials designated "confidential" and produced hereunder, it shall continue to be binding after the conclusion of these proceedings. Except as otherwise ordered by the Pennsylvania Office of open Records or a Pennsylvania Court, the Department will retain the designated documents and material in a "confidential" file for the above-captioned matter and will retain them in such "confidential" file in accordance with applicable Department document retention schedules.

11. Notwithstanding the foregoing, counsel for each of the parties may retain in their litigation files all documents or materials containing information derived from any "confidential" documents or materials. However, counsel shall not, without written permission of Hilcorp or order of the Hearing Officer, disclose to any person other than those persons identified in paragraph 3, above, any "confidential" documents or materials that have not been returned to Hilcorp or any documents or materials in counsel's files containing information derived from "confidential" documents or material.

12. Nothing in this protective order shall restrict Hilcorp from disclosing the "confidential" documents or materials to any person. However, if Hilcorp discloses "confidential" documents or materials to any person and does not require such person to keep such documents or materials confidential, then such documents or materials shall no longer be covered by this protective order.

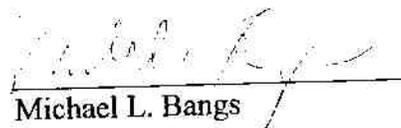
13. Should any party or other interested person in this matter object to the designation of any documents or materials as "confidential," or should any party desire to disclose such

documents or materials to a person not provided for in paragraph 3, above, and Hilcorp does not agree to disclosure to a person not provided for in paragraph 3, above, the party or other interested person in this matter seeking disclosure may apply to the Hearing Officer for a ruling that such documents or material shall not be treated as designated, or that such disclosure be permitted, after providing Hilcorp ten (10) days prior written notice of such application. Until the Hearing Officer enters an order, if any, changing the designation of the document or material, it shall be accorded the "confidential" treatment assigned and provided for in this protective order.

14. The parties acknowledge that a request submitted to the Department under the RTK Law for any "confidential" document or material that is subject to this protective order is also subject to the requirements of Section 707(b) of the RTK Law, 65 P.S. §67.707(b). These requirements include that the Department shall notify Hilcorp of the request within five (5) business days of the Department's receipt of the request, and Hilcorp shall have five (5) business days from the receipt of notice from the Department to provide input on the release of the record.

15. In any dispute before the Hearing Officer, the Pennsylvania Office of Open Records, and/or a Pennsylvania Court regarding access to documents or materials designated by Hilcorp as "confidential" in this matter, the Department has no obligation to defend such designation. In any such dispute, Hilcorp shall have the sole obligation to defend such designation, and shall have the sole burden of proving to the Hearing Officer, the Pennsylvania Office of Open Records, and/or a Pennsylvania Court, as applicable, that such document or material contains "confidential proprietary information" and/or a "trade secret" as those terms are defined in Section 102 of the RTK Law, 65 P.S. § 67.102, and or "a trade secret or other confidential research, development or commercial information" within the meaning of those terms under Pennsylvania Rule of Civil Procedure 4012(9).

16. Notwithstanding the foregoing provisions, this protective order shall be without prejudice to the right of any party or other person to challenge the propriety of discovery on other grounds or to assert a claim of this privilege pursuant to the attorney/client privilege work product doctrine, or any other applicable privilege or rule. Nothing contained in this protective order shall be construed as a waiver of any objection which might be raised as to the admissibility at the hearing of any evidentiary matter. The fact that a party does not contest the designation of "confidential" pursuant to this protective order shall not be used in any way as an admission by that party that the designation is proper or that the documents or materials so designated are confidential.


Michael L. Bangs
Hearing Officer