

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 BEECHER
ISLAND FIELD, YUMA COUNTY, COLORADO

CAUSE NO. 300

DOCKET NO. _____

VERIFIED APPLICATION

COMES NOW, the Applicant, Mountain Petroleum Corporation, by and through its attorneys, Lindquist & Vennum P.L.L.P., and respectfully petitions the Oil and Gas Conservation Commission of the State of Colorado as follows:

I.

Applicant is the operator and/or working interest owner of one or more oil and gas leases covering all or a portion of the Application Lands (as described below) within the Beecher Island Field.

II.

By Order Nos. 300-5 and 300-6 dated August 22, 1978 and September 9, 1981 respectively, the Commission established 160-acre drilling and spacing units for the production of gas from the Niobrara Formation underlying certain lands including the following described lands located in the Beecher Island Field, Yuma County, Colorado:

Township 1 South, Range 43 West, 6th PM

Section 32: S/2

Section 33: S/2

Township 2 South, Range 43 West, 6th PM

Section 2: W/2

Section 3: All

Section 4: All

Section 5: All

Section 11: W/2

Section 14: All

Section 16: All

Section 19: All

Section 20: All

Section 21: All

Section 23: All
Section 26: All
Section 28: All
Section 29: All
Section 30: All
Section 31: All
Section 34: All

Township 2 South, Range 44 West, 6th PM

Section 12: All
Section 13: NW/4, S/2
Section 14: E/2
Section 23: E/2
Section 36: E/2

Township 3 South, Range 43 West, 6th PM

Section 3: N/2
Section 4: All
Section 6: All
Section 7: N/2
Section 8: N/2
Section 9: N/2

Township 3 South, Range 44 West, 6th PM

Section 1: All

(hereinafter "Application Lands")

The Orders provide that each said drilling unit shall consist of 160 acres, that each such drilling unit shall consist of a quarter section, according to the governmental survey thereof, and that the permitted well in each unit shall be located no closer than 900 feet from the boundaries of the quarter section in which the well is located.

III.

By Order No. 300-7 dated November 4, 1996, the Commission ordered that an additional well would be allowed to be drilled on each 160-acre drilling and spacing unit on lands in the Beecher Island Field (including the Application Lands), at the option of the operator for production of gas from the Niobrara Formation, with the subsequent permitted well to be no closer than 560 feet from the outer boundaries of the drilling and spacing unit and further allowing the Director to grant exceptions to the permitted well locations without prior notice or hearing upon an adequate showing by the operator that topography makes it unreasonable to drill a second well within the 560 feet setback, but no closer than 380 feet from the boundary of the

drilling and spacing unit and requests for any other exception location may be granted in accordance with Rule 318.

IV.

Subsequent drilling and production operations in the area of the Application Lands have yielded geological and engineering evidence indicating that two wells will not adequately drain an area of 160 acres, and that an option to drill up to a total of four (4) wells within each drilling unit of the Application Lands should be permitted in order to allow economic and efficient drainage of the gas and associated hydrocarbons from the Niobrara Formation underlying each such 160-acre drilling and spacing unit of the Application Lands.

V.

In order to allow maximum flexibility in the drilling of wells upon the Application Lands and consistent with protection of correlative rights, it is appropriate that each additional well drilled upon the Application Lands be allowed to be located anywhere within the drilling unit upon which it is drilled provided it is located no closer than 560 feet to the outer boundaries of the drilling unit. No more than one well productive from the Niobrara formation may be drilled in any governmental quarter-quarter section (40-acre tract), or, for irregular sections, the survey lot equivalent. With respect to any existing productive Niobrara wells having a surface location on a boundary between two 40-acre tracts, between two survey lots, or between a survey lot and a 40-acre tract, the operator of such well shall designate the 40-acre tract or survey lot equivalent for which such well shall be the permitted well. In addition, the Director should be allowed to grant an exception to the permitted well location without prior notice or hearing upon an adequate showing by the operator that topography makes it unreasonable to drill the second well within a 560-foot setback, but no closer than 380 feet from the boundary of the drilling and spacing unit, and requests for any other exception location may be granted in accordance with Rule 318.

VI.

Therefore, to prevent waste, to protect correlative rights, to ensure proper and efficient development of the Beecher Island Field, and to assure the greatest ultimate recovery of gas and associated hydrocarbons from the Niobrara Formation, Applicant requests that after notice and hearing, as provided by law, the Commission issue its Order providing that a total of four (4) wells shall be allowed to be drilled on each drilling unit of the Application Lands at the option of the operator; that the permitted location be anywhere within the 160-acre drilling and spacing unit provided it is no closer than 560 feet from the outer boundaries of said 160-acre drilling and spacing unit; and that the Director be allowed to grant an exception to the permitted well location without prior notice or hearing upon an adequate showing by the operator that topography makes it unreasonable to drill the second well within a 560-foot setback, but no closer than 380 feet

from the boundary of the drilling and spacing unit, and requests for any other exception location may be granted in accordance with Rule 318. No more than one well productive from the Niobrara formation may be drilled in any governmental quarter-quarter section (40-acre tract), or, for irregular sections, the survey lot equivalent. With respect to any existing productive Niobrara wells having a surface location in the boundary between two 40-acre tracts, between two survey lots, or between a survey lot and a 40-acre tract, the operator of such well shall designate the 40-acre tract or survey lot equivalent for which such well shall be the permitted well.

VII.

Applicant states to the best of its information and belief that the "interested parties" and the owners, as defined in the Oil and Gas Conservation Act of the State of Colorado and the Rules and Regulations of this Commission, are listed on Exhibit A attached hereto by name and address.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing by the Commission; that notice thereof be given as required by law; and that upon such hearing this Commission issue its Order granting this Application as requested herein. Applicant further requests that the Commission in its Order grant such other provisions as the Commission may find to be necessary or desirable in the cause.

DATED THIS 26th day of January 2004.

Respectfully submitted,

LINDQUIST & VENNUM P.L.L.P.

By: Thomas W. Niebrugge
Thomas W. Niebrugge
600 17th Street, Suite 1800 South
Denver, CO 80202
(303) 573-5900


Applicant's Address:

Mountain Petroleum Corporation
Attn: Mr. Steve Matre
1801 Broadway, Suite 1250
Denver, CO 80202

VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

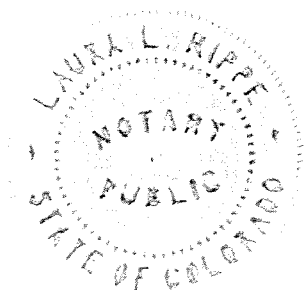
Steve Matre as Vice-President of Mountain Petroleum Corporation, upon oath, deposes and says that he has read the foregoing Verified Application before the Oil and Gas Conservation Commission of the State of Colorado, and states that the matters contained therein are true to the best of his knowledge and belief.

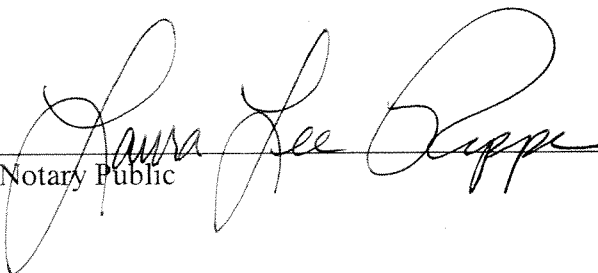


Steve Matre

Subscribed to and sworn to before me this 26th day of January 2004, by Steve Matre as Vice-President of Mountain Petroleum Corporation.

My commission expires: 11.17.05





Notary Public

**Exhibit A
BEECHER ISLAND**

Suzanne Sargent Jones, Trustee
JD Sargent, etal Trust
25 Cream Hill Road
Mendon, VT 05701

Stephen G Bolyard
6071 South Aberdeen
Littleton, CO 80120

John P Lockridge
1801 Broadway, Suite 1250
Denver, CO 80202

Donald G McLean
8080 Meade Street
Westminster, CO 80030

Northwestern Public Service Co.
ATTN: Colleen Ruiz
125 S Dakota Ave
Sioux Falls, SD 57104

Noble Energy Inc
100 Glenborough Drive, Suite 100
Houston, TX 77067

Edward G and Mary J Skeeters
10104 Ashglen Circle
Dallas, TX 75238

The Skeeters Company
410 SW Brielle Lane
Lee's Summit, MO 64082

Thompson Brothers Ventures LLC
59 Golden Eagle Rd
Greenwood Village, CO 80121-2125

Frank W Winegar Marital Trust
370 Seventeenth Street, #3210
Denver, CO 80202

Harold S Wood
217 East 24th Street
Tulsa, OK 74114

Stelbar Oil Corporation, Inc.
155 N. Market, Suite 500
Wichita, KS 670202

Press Oil Investments
P.O. Box 464
Wray, CO 80758

Blair Oil Investments LLC
885 South Colorado Blvd
Denver, CO 80246

J-Chan Inc
357 North Broadway
Denver, CO 80203

Heartland Oil and Gas Company
5390 Manhattan Circle, Ste 100
Boulder, CO 80303

Lonetree Oil & Gas Company
c/o Michael T Bradley
5228 Lonetree Drive
Loveland, CO 80537

Petroleum Development Corporation
103 East Main Street
Bridgeport, WV 26330

James T Rutherford, Jr.
11 Hillside Drive
Denver, CO 80215

SGT Oil & Gas Ltd
1615 California Street, Ste 407
Denver, CO 80202

The Termo Company
P O Box 2767
Long Beach, CA 90801-2767

Thompson Gas Corporation
59 Golden Eagle Rd
Greenwood Village, CO 80121-2125

Baylor Van Meter Jr.
1600 Broadway, Suite 1470
Denver, CO 80202-4914

Bobbie Jean Wood Trust dtd 011998
Spiritbank - Trustee
4815 D Harvard, Ste 128
Tulsa, OK 74135-3052

Cohort Energy Company
P.O. Box 226406
Dallas, TX 75222-6406

Fidelity Exploration & Production Company
1700 Lincoln Street, Suite 4600
Denver, CO 80203

Verna Winegar & 1st Interstate Bank of Denver, Trustees
under will of Frank W. Winegar, deceased
5460 Ward Road, Suite 200
Arvada, CO 80002

Robert A. & MerryLu Simmons
34741 County Road 22
Wray, CO 80758

Richard W. & Helen E. Smith, Co-Trustees
1038 West 9th Street
Wray, CO 80758

Rosewood Resources, Inc.
2711 N. Haskell Ave., Suite 2800, LB 22
Dallas, TX 75204-2944

Energy Supply Exploration & Dev. LLC
212 North Market
Wichita, KS 67202

Doris J. Whomble
433 Adams Street
Wray, CO 80758

Kevin R. & Rebecca Sue Shively
18100 County Road KK
Wray, CO 80758

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6260 E. Riverside Blvd., #177
Loves Park, IL 61111-4418

Kari D. Kennedy
100 3rd Infantry Road
Ft. Leavenworth, KS 66027

Donald Winston, Trustee under the will
of Fransisca S. Winston
6 Desta Drive, Suite 3100
Midland, TX 79705

LAJ Corporation
P.O. Box 10656
Midland, TX 79702

Robert J. Gutru L.P.
155 North Market Street, Suite 500
Wichita, KS 67202-1816

Cogeneration Holdings, LLC.
370 Van Gordon Street
Lakewood, CO 80228

State of Colorado
Board of Land Commissioners
1313 Sherman Street, Room 620
Denver, CO 80203

Howard E. & Charlotte Smith
21353 County Road 28
Vernon, CO 80755

Williams Production RMT Company
One Williams Center
P.O. Box 3102
Tulsa, OK 74101-3102

Billy G. & Ellen Mansfield
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Wray, CO 80758

Bureau of Land Management
2850 Youngfield Street
Lakewood, CO 80215-7093

Judy Dale Shively
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Kelly R. Shively
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Boulder, CO 80302

Kimberly D. Bowman
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Owasso, OK 74055

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Midland, TX 79705

Judson Operations LTD
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Midland, TX 79702-3340

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