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

IN THE MATTER OF THE APPLICATION OF OXY USA WTP LP FOR AN ORDER ESTABLISHING WELL LOCATION AND SETBACK RULES FOR THE DRILLING OF WILLIAMS FORK FORMATION WELLS ON CERTAIN DESCRIBED LANDS IN THE GRAND VALLEY FIELD AREA, GARFIELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW Oxy USA WTP LP ("Applicant"), a Texas limited partnership, by its attorneys, Poulson, Odell and Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order establishing well location and setback rules applicable to the drilling and producing of wells from the Williams Fork Formation of the Mesaverde Group underlying certain described lands in the Grand Valley Field area, Garfield County, Colorado and in support of its application states and alleges as follows:

- 1. That Applicant is a limited partnership duly authorized to conduct business in the State of Colorado.
- 2. That Applicant owns all of the oil and gas mineral estate in the following described lands (hereinafter "Application Lands"):

Township 6 South Range 97 West

Section 3: Lots 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16, $S\frac{1}{2}$

Section 4: All

Section 5: All

Section 6: Lots 13, 14, 15, 16, 17, 18, 22, 23, 24, 25, E1/2SW1/4 and SW1/4

Section 8: E1/2, E1/2NW!/4, SW1/4NW1/4 and SW1/4

Section 9: All

Section 10: All

Section 15: All

Section 16: All

Section 17: All

Section 18: E1/2 and SE1/4NW1/4

Section 19: NE1/4 and E1/2NW1/4

Section 20: All

Section 29: All

Section 32: All

Township 7 South Range 97 West

Section 5: Tracts Subtracts A and B of Tract 82, Subtracts A and B of Tract 83, that portion

of Tracts 80 and 81 lying in Section 5

Section 6: All

Section 7: All

3. That the Application Lands are unspaced and subject to the Commission's Rule 318(formerly Rule 316).

- 4. That multiple wells have been drilled, tested and completed in the Williams Fork Formation of the Mesaverde Group upon lands in close proximity to the Application lands.
- 5. That as to the Application Lands, the Commission should allow all future Williams Fork wells drilled thereon to be located downhole anywhere upon such lands but no closer than 100 feet from the outside boundary of the Application Lands (see attached plat) unless such boundary abuts or corners lands in respect of which the Commission has not at the time of the drilling permit application granted the right to drill 10 acre density wells in which event the Williams Fork wells to be drilled upon the Application Lands should be drilled downhole no closer than 200 feet from that portion of the boundary which so abuts or corners the lands in respect of which 10 acre density downhole drilling for Williams Fork wells has not been ordered by the Commission.
- 6. That, except as previously authorized by order of the Commission, wells to be drilled under this Application will be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter quarter section unless exception is granted by the Colorado Oil and Gas Conservation Commission pursuant to application made for such exception.
- 7. The granting of this application will not promote waste; will not violate correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoir.
- 8. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in August, 2005, that notice be given as required by law and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated:	May	,	2005.
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	POULSON, ODELL AND PETERSON, LLC	
	By:	
STATE OF TEXAS)) ss.	
COUNTY OF HARRIS)	

Thomas Kent Woolley, of lawful age, being first duly sworn upon oath, deposes and says that he is the Senior Landman Advisor for Oxy USA WTP LP and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

	Thomas Kent Woolley
Subscribed and sworn to before me this	day of May, 2005.
Witness my hand and official seal.	
My commission expires:	
	Notary Public

EXHIBIT A

Bureau of Land Management P.O.Box 1009 Glenwood Springs, Colorado 81602 ChevronTexaco 11111 S. Wilcrest Houston, Texas 77099

Contex Energy Company 1645 Court Place Suite 212 Denver, Colorado 80202

Daniel W. Stroock 55 Frost Street Cambridge, Massachusetts 02140 Fourever Young Limited Partnership C/o Gary D. Young 579 Rocky Step Road Winfield, West Virginia 25213 Petroleum Development Corporation 103 East Main Street, Post Office Box 26 Bridgeport, West Virginia 26330

Puckett Land Company 5460 S. Quebec Street, Suite 250 Greenwood Village, Colorado 80111 Richard L Prather, Lyle Prather And Ned Prather Post Office Box 165 Debegue, Colorado 81631 Savage Limited Partnership I Attn: Joan Savage 5953 County Road 320 Rifle, Colorado 81650

Shell Frontier Oil & Gas Inc. P.O. Box 4854 Houston, Texas 77210-4854 Sue Stuart Mortimore Erpf Van De Bovenkamp 640 Park Ave New York, New York 10021 Thomas F. Latham and Estate of Charles H. Latham P.O. Box 36 DeBeque, Colorado 81630-003

United states Department of the Interior Bureau of Land Management 2815 H Road Grand Junction, Colorado 81506

W. C. Prather Post Office Box 130 DeBeque, Colorado 81630 W. C. Prather Estate C/O Donna J. Koehler Post Office Box 300 DeBeque, Colorado 81630

Williams Production RMT Company 1515 Arapahoe St Tower 3 Ste 1000 Denver, Colorado 80202-2120

Doug Dennison Garfield County 144 E. 3rd Rifle, Colorado 81650

OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF OXY USA WTP LP FOR AN ORDER ESTABLISHING WELL LOCATION AND SETBACK RULES FOR THE DRILLING OF WILLIAMS FORK CAUSE NO. FORMATION WELLS ON CERTAIN DESCRIBED LANDS IN THE GRAND VALLEY FIELD AREA GARFIELD COUNTY

DOCKET NO

COLORADO	D COONTT,	BOOKET NO.			
AFFIDAVIT OF MAILING					
STATE OF COLORADO)					
CITY AND COUNTY OF DENVER)	SS.				
William A. Keefe of lawful age, and being	first duly sworn up	oon his oath, states and declares:			
That he is the attorney for Oxy USA WTP Application in the subject docket to be deposited in listed on Exhibit A to the Application.		, 2005, he caused a copy of the attached Mail, postage prepaid, addressed to the parties			
	William A. Keef	e			
Subscribed and sworn to before me on May	, 2005.				
Witness my hand and official seal.					
My commission expires:					

Notary Public