

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

IN THE MATTER OF THE APPLICATION OF
WEST EVANS COMMERCIAL INVESTMENTS
LLC AND BLUE CHIP OIL, INC. FOR AN ORDER
PURSUANT TO RULE 524 DETERMINING
RESPONSIBLE PARTY STATUS
WITH RESPECT TO A RELEASE
FROM THE ANDERSON-COOMBS WELL
LOCATED IN WELD COUNTY, COLORADO

CAUSE NO. 1

DECKET NO. 0509-GA-04

COME NOW, West Evans Commercial Investments, LLC, a Colorado limited liability company and Blue Chip Oil, Inc., a Colorado corporation ("Applicants") by and through their attorney, Keith M. Crouch, P.C. and for its application for an order pursuant to Rule 524 determining responsible party status with respect to a release of oil and gas from the Anderson-Coombs #6 well (the Well) and/or related facilities, states and alleges as follows:

1. Kerr-McGee Rocky Mountain Corporation (Kerr-McGee) was the owner and operator of the Well and related facilities until May 1, 2003. The Well is located in the NW/4 NW/4 of Section 25, T5N, R66W, 6th PM, Weld County, Colorado.
2. Effective May 1, 2003, West Evans Commercial Investments, LLC (West Evans) acquired the Well, related facilities and oil and gas leases from Kerr-McGee. Blue Chip Oil, Inc. is the contract operator of the Well for West Evans.
3. In August 2003, Kumar & Associates, Inc. (Kumar) prepared a draft limited phase II environmental site assessment report for Edgemark Development Services, LLC for the area included in the wellsite and the area covered by the related facilities.
4. The Kumar report concluded that there was contamination from the Well and/or related facilities.
5. West Evans, through Mahoney Environmental Consulting, Inc. (Mahoney), has conducted an extensive environmental assessment of the site in order to determine the source of the release. West Evans, again through Mahoney, has conducted an extensive clean up and remediation of the site that included the removal and remediation of contaminated soils and ground water. Mahoney has worked closely with the environmental staff of the Commission in the assessment and remediation of the site.
6. The site investigation conducted by Mahoney to determine the source of the release has been inconclusive other than to conclude that the current facilities are not the source of the release. Mahoney tested the existing water vault and the flowlines for tightness and there was no leak detected. Mahoney inspected and visually inspected the stock tank and detected no source of the release. The site assessment conducted by Mahoney did not reveal the source of the release with certainty.
7. In 1999 or 2000, HS Resources (HS), the then operator of the Well and related facilities replaced the water vault for the Well. HS filed a report with the Commission in connection with the replacement of the water vault.
8. The site assessment conducted by Mahoney revealed contaminated soils beneath the site of the water vault that was replaced indicating that the leaking water vault was the likely source of the release, although a conclusive determination could not be made.
9. The Well was drilled and completed in February 1986. On information and belief, HS drilled and completed the Well and operated it until Kerr-McGee or its parent company acquired the stock of HS. Applicants are not aware of the date of the acquisition of the stock of HS by Kerr-McGee or its parent and Applicants are not informed of the terms of the transaction between HS and Kerr-McGee or its predecessor.
10. Rule 524 a. provides that a hearing may be initiated upon application to decide the responsible party status upon at least 20 days notice to the potentially responsible parties. Rule 524 c. provides that the Commission shall make the determination under this section

without regard to any contractual assignments of liability or other legal defenses between the parties.

11. HS and its successor Kerr-McGee and West Evans have been the only owners of the Well and related facility. The water vault replaced by HS in 1999 or 2000 is the only likely source of the release as disclosed by the site investigation conducted by Mahoney.

12. West Evans and Blue Chip have communicated with Kerr-McGee with respect to this matter and Kerr-McGee has failed to discuss the matter with Applicants.

WHEREFORE, Applicants request the Commission to decide responsible party status and enter its order assigning responsibility for the release that has been the subject of the Mahoney site assessment and remediation.

Dated this 2nd day of August, 2005.

Respectfully Submitted,

West Evans Commercial
Investments, LLC and Blue
Chip Oil, Inc.

By: _____
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