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

| IN THE MATTER OF THE APPLICATION OF |) | | |
|--|---|------------|--|
| CEDAR RIDGE, LLC FOR AN ORDER VACATING |) | | |
| ORDER NO. 517-3 FOR THE RATON AND |) | | |
| VERMEJO COAL FORMATIONS COVERING |) | | |
| CERTAIN LANDS LOCATED IN LAS ANIMAS |) | Cause No | |
| COUNTY, COLORADO |) | Docket No. | |

APPLICATION

Cedar Ridge, LLC ("Applicant"), by and through its undersigned attorneys, respectfully applies to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order vacating a previous order which established 160-acre drilling and spacing units for certain lands in Townships 29 through 31 South, Ranges 65 and 66 West, 6th P.M. for the production of gas from the Raton and Vermejo Coal Formations and also to vacate in its entirety the previously adopted Public Health, Safety, Welfare and Environmental Plan of the Applicant. In support thereof, Applicant states and alleges as follows:

- 1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado.
- 2. Applicant is the former operator and owner of leasehold interests in all or portions of the lands included within Order No. 517-3 more particularly described on Exhibit A attached hereto and incorporated herein by reference. Through the Order entered into on October 31, 2000, this Commission adopted 160-acre drilling and spacing units for production from the Raton and Vermejo Coal Formations and specifically adopted the Public Health, Safety, Welfare and Environmental Plan submitted by Cedar Ridge, LLC.
- 3. Between 2000 and 2003, Cedar Ridge drilled and completed 36 wells in the Application area. Moreover, Cedar Ridge complied with the Public Health, Safety, Welfare and Environmental Plan by conducting and completing the initial baseline samples for water quality

prior to drilling the initial monitoring well, drilled the water monitoring well, compiled and submitted a groundwater hydrology report, completed water quality testing within one year of completion, repeated water quality testing within three years of completion, provided quarterly fluid levels to the Commission from the groundwater monitoring well, and undertook pressure monitoring all as provided in the Public Health, Safety, Welfare and Environmental Plan.

- 4. Of the original 36 wells that were drilled and completed by the Applicant, 11 have been plugged and abandoned as identified on Exhibit B and 25 of those wells have been properly converted to water wells in accordance with the Rules and Regulations of this Commission and the State of Colorado Engineer and have been conveyed and assigned to the surface owners.
- 5. All pits have been abandoned and properly closed and all reclamation as required has been completed.
- 6. The entire project has been abandoned as of November 2003. All requirements necessary to vacate the spacing order in this unproductive area have been complied with by the Applicant.
- 7. Applicant requests to be relieved from further obligations under the Public Health, Safety, Welfare and Environment Plan. The Plan itself provides as follows:

Economic Life of Project

Should the proposed well program contemplated by Cedar Ridge be abandoned due to economics, lack of production or otherwise, Cedar Ridge shall be permitted to request that the Commission grant it relief from the ongoing monitoring obligations described herein.

In accordance with this paragraph, Cedar Ridge requests relief from any further obligations under the Public Health, Safety, Welfare and Environmental Plan and also requests that the spacing order be vacated in its entirety.

8. Upon information and belief the names and addresses of the interested parties are set forth on Exhibit C, attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing on the Commission's May 2006 docket and that the Commission enter its Order consistent with the Applicant's request as set forth above.

Respectfully submitted this _____ day of April, 2006.

Respectfully submitted,

CEDAR RIDGE, LLC

By:_____ Michael J. Wozniak Beatty & Wozniak, P.C.

Attorneys for Applicant 216 16th Street, Suite 1100 Denver, Colorado 80202 (303) 407-4499

Applicant's Address:

484 Turner Drive Building B, Suite 3 Durango Colorado 81303

VERIFICATION

| STATE OF COLORADO |) | | | | |
|---|--|--|--|--|--|
| COUNTY OF |) ss.) | | | | |
| Terry L. Logan as Manager of Cedar Ridge, LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief. | | | | | |
| | CEDAR RIDGE, LLC | | | | |
| | | | | | |
| | By: Terry L. Logan, Manager | | | | |
| Subscribed and sworn to before me t Manager of Cedar Ridge, LLC | his day of April, 2006, by Terry L. Logan as | | | | |
| Witness my hand and official seal. My commission expires: | | | | | |
| | | | | | |
| | Notary Public | | | | |
| [SEAL] | | | | | |

EXHIBIT A

Description of Lands

Las Animas and Huerfano Counties, Colorado

Township 29 South, Range 66 West

Section 25: S/2
Section 26: S/2
Section 27: S/2
Sections 34 through 36

Township 30 South, Range 65 West

Sections 4 through 9, 16 through 21, 28 through 33

Township 30 South, Range 66 West

Sections 1 through 3, 10 through 15, 19 through 36

Township 31 South, Range 65 West

Section 3: W/2 Sections 4 through 8 Section 9: E/2

Township 31 South, Range 66 West

Sections 1 through 12

Township 31 South, Range 67 West

Section 1 through 2, 10 through 15

EXHIBIT B

<u>List of Wells (36 wells plus one water well permitted by the State Engineer)</u>

| Well Name | API No. | Location |
|-----------|---------|----------|
|-----------|---------|----------|

Transferred to Surface Owners (25) as Water Wells:

| Adobe Canyon 25-11 | 05-071-07005 | NE/4SW/4 Section 25-T30S-R66W, 6 th P.M. |
|----------------------|--------------|---|
| Adobe Canyon 30-2 | 05-071-07034 | SW/4NW/4 Section 30-T30S-R66W, 6 th P.M. |
| County Line 27-1 | 05-055-06231 | SW/4NE/4 Section 27-T30S-R66W, 6 th P.M. |
| County Line 27-3 | 05-071-07068 | SW/4SW/4 Section 27-T30S-R66W, 6 th P.M. |
| Luis Canyon 5-2 | 05-071-07067 | NE/4NW/4 Section 5-T31S-R66W, 6 th P.M. |
| Mauricio Canyon 1-2 | 05-071-07070 | SW/4NW/4 Section 1-T31S-R66w, 6 th P.M. |
| Mauricio Canyon 33-1 | 05-071-07033 | SW/4NE/4 Section 33-T30S-R66W, 6 th P.M. |
| Merritt 29-1 | 05-071-06887 | NE/4NW/4 Section 29-T30S-R65W, 6 th P.M. |
| Merritt 29-2 | 05-071-06888 | SW/4NW/4 Section 29-T30S-R65W, 6 th P.M. |
| Ortiz School 34-1 | 05-071-06994 | NE/4SW/4 Section 34-T30S-R66W, 6 th P.M. |
| Ortiz School 34-3 | 05-071-07086 | NW/4NE/4 Section 34-T30S-R66W, 6 th P.M. |
| Ortiz School 35-3 | 05-071-07069 | NE/4SW/4 Section 35-T30S-R66W, 6 th P.M. |
| Spring Canyon 20-1 | 05-055-06235 | NE/4NE/4 Section 20-T30S-R66W, 6 th P.M. |
| Spring Canyon 21-3 | 05-055-06229 | SE/4SW/4 Section 21-T30S-R66W, 6 th P.M. |
| Spring Canyon 21-4 | 05-055-06239 | SW/4SE/4 Section 21-T30S-R66W, 6 th P.M. |
| Spring Canyon 21-5 | 05-055-06234 | SW/4NW/4 Section 21-T30S-R66W, 6 th P.M. |
| Spring Canyon 21-6 | 05-055-06282 | NW/4SE/4 Section 21-T30S-R66W, 6 th P.M. |
| Spring Canyon 22-3 | 05-055-06236 | SW/4SW/4 Section 22-T30S-R66W, 6 th P.M. |
| Spring Canyon 22-4 | 05-055-06240 | SW/4SE/4 Section 22-T30S-R66W, 6 th P.M. |
| Spring Canyon 28-2 | 05-055-06233 | SW/4NW/4 Section 28-T30S-R66W, 6 th P.M. |
| Spring Canyon 28-6 | 05-055-06281 | NE/4NW/4 Section 28-T30S-R66W, 6 th P.M. |
| Spring Canyon 29-1 | 05-055-06246 | SE/4NE/4 Section 28-T30S-R66W, 6 th P.M. |
| Turcotte 21-4 | 05-055-06208 | SE/4NE/4 Section 21-T30S-R66W, 6 th P.M. |
| Wheeler Canyon 36-1 | 05-071-07032 | NW/4NE/4 Section 36-T30S-R66W, 6 th P.M. |
| Wheeler Canyon 36-2 | 05-071-07030 | NE/4NW/4 Section 36-T30S-R66W, 6 th P.M. |

Plugged and Abandoned Wells (11):

| Adobe Canyon 25-4 | 05-071-07066 | SW/4SE/4 Section 25-T30S-R66W, 6 th P.M. |
|---------------------|--------------|---|
| Luis Canyon 8-1 | 05-071-07383 | SE/4SE/4 Section 8-T31S-R66W, 6 th P.M. |
| Merritt 29-4 | 05-071-06904 | SW/4NW/4 Section 29-T30S-R66W, 6 th P.M. |
| Ortiz School 35-2 | 05-071-07071 | NW/4NW/4 Section 35-T30S-R66W, 6 th P.M. |
| Spring Canyon 20-2 | 05-055-06237 | SW/4NW/4 Section 20-T30S-R66W, 6 th P.M. |
| Turcotte 21-1 | 05-055-06207 | NW/4SE/4 Section 21-T30S-R66W, 6 th P.M. |
| Turcotte 21-2 | 05-055-06204 | NE/4SW/4 Section 21-T30S-R66W, 6 th P.M. |
| Turcotte 21-3R | 05-055-06205 | NW/4SE/4 Section 21-T30S-R66W, 6 th P.M. |
| Wheeler Canyon 35-1 | 05-071-07031 | NW/4NE/4 Section 35-T30S-R66W, 6 th P.M. |
| Wheeler Canyon 36-3 | 05-071-07028 | NE/4SW/4 Section 36-T30S-R66W, 6 th P.M. |
| Wheeler Canyon 36-4 | 05-071-07029 | NW/4SE/4 Section 36-T30S-R66W, 6 th P.M. |

Water Well Permitted by the State Engineer (1)

Mauricio Canyon Water Water Monitor Well Permit No. 234539

NE/4NE/4 Section 3-T30S-R66W, 6th P.M.

EXHIBIT C

List of Interested Parties

Conferina Abeyta a/k/a Connie Abeyta c/o Ida Mae Marquez 430 Maple / P.O. Box 49 Aguilar, CO 81020

Conferina Abeyta a/k/a Connie Abeyta a/k/a Mrs. Adam Abeyta 815 Fir Street Aguilar, CO 81020

Conferina Abeyta a/k/a Connie Abeyta c/o Trinity State Nursing Home 409 Benedicta Avenue Trinidad, CO 81082

Mike Abeyta, Jr. & Lucy Abeyta P.O. Box 501 Aguilar, CO 81020

Robert E. Abeyta 260 Kennen Krest Mochville, NC 27028

American State Bank, Trustee of the E. Hayes Sieber Trust P.O. Box 1401 Lubbock, TX 79208-1401

Cruz Benavidez 21021 Trujillo Cr. Rd. Aguilar, CO 81020

Cruz & Lucy Benavidez 21021 Trujillo Cr. Rd. Aguilar, CO 81020

Julia Benavidez 21090 Trujillo Cr. Rd. Aguilar, CO 81020

Larry Benavidez 21021 Trujillo Cr. Rd. Aguilar, CO 81020

Michael A. & Charlene L. Benavidiz 2926 Girard Blvd. NE Albuquerque, NM 87107

Michael Benvidez 21090 Trujillo Cr. Rd. Aguilar, CO 81020

Leandro Borrego c/o Narciso Borrego 172 Encino Dr. Pueblo, CO 81005 Devon Energy Corporation Attn.: Mr. Charles Speer 20 N. Broadway, Ste. 1500 Oklahoma City, OK 73102-8260

Domenic Ferraro c/o Roberta Ferraro 945 N. 5th Street, Box 6 Raton, NM 87740

The Known & Unknown Heirs, Successors & Assigns of Domenic Ferraro c/o Roberta Ferraro 945 N. 5th Street, Box 6 Raton, NM 87740

The Known & Unknown Heirs, Successors & Assigns of Emma Ferraro c/o Roberta Ferraro 945 N. 5th Street, Box 6 Raton, NM 87740

Emma Ferraro c/o Roberta Ferraro 945 N. 5th Street, Box 6 Raton, NM 87740

Thomas Ferraro c/o Roberta Ferraro 945 N. 5th Street, Box 6 Raton, NM 87740

The Known & Unknown Heirs, Successors & Assigns of Thomas Ferraro c/o Roberta Ferraro 945 N. 5th Street, Box 6 Raton, NM 87740

Flag-Redfern Oil Co. c/o Kerr-McGee Refining Corp. P.O. Box 25861 Oklahoma City, OK 73125

The Known & Unknown Heirs, Successors & Assigns of Carolyn Grave c/o Linda L. Graves 2666 E. Geddes Littleton. CO 80122

Helen Graves c/o Linda L. Graves 2666 E. Geddes Littleton, CO 80122

The Known & Unknown Heirs, Successors & Assigns of Helen Graves c/o Linda L. Graves 2666 E. Geddes Littleton, CO 80122 Linda Lou Graves c/o Linda L. Graves 2666 E. Geddes Littleton, CO 80122

Thomas C. Graves c/o Linda L. Graves 2666 E. Geddes Littleton, CO 80122

The Known & Unknown Heirs, Successors & Assigns of Thomas C. Graves c/o Linda L. Graves 2666 E. Geddes Littleton, CO 80122

Willard Graves c/o Linda L. Graves 2666 E. Geddes Littleton, CO 80122

The Known & Unknown Heirs, Successors & Assigns of Willard Graves c/o Linda L. Graves 2666 E. Geddes Littleton, CO 80122

J. M. Huber Corporation 1900 West Loop S., Ste. 1600 Houston, TX 77027-3207

Kerr McGee North American Onshore (formerly Flag-Redfern) P.O. Box 25861 Oklahoma City, OK 73125

J & E Klienback & Company, a Partnership 25800 Trujillo Creek Rd. Aguilar, CO 81020

Brian A. Merritt a/k/a Brian Merritt & Cynthia G. Merritt, his wife P.O. Box 441 Aguilar, CO 81020

Belinda Montoya c/o Candelaria Montoya P.O. Box 215 Aguilar, CO 81020

The Known & Unknown Heirs, Successors & Assigns of Belinda Montoya c/o Candelaria Montoya P.O. Box 215 Aguilar, CO 81020

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Daniel Montoya c/o Candelaria Montoya P.O. Box 215 Aguilar, CO 81020

The Known & Unknown Heirs, Successors & Assigns of Daniel Montoya c/o Candelaria Montoya P.O. Box 215 Aquilar, CO 81020

Delores Montoya 7693 Wyandot Denver, CO 80221

Edward Montoya c/o Candelaria Montoya P.O. Box 215 Aquilar. CO 81020

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Eloise Montoya 1953 Stratton Circle Walnut Creek, CA 94598

John F. Montoya c/o Candelaria Montoya P.O. Box 215 Aguilar, CO 81020

The Known & Unknown 1-leirs, Successors & Assigns of John F. Montoya c/o Candelaria Montoya P.O. Box 215 Aguilar, CO 81020

Paul M. Montoya Box 135 Aguilar, CO 81020

Ronald Montoya c/o Candelaria Montoya P.O. Box 215 Aguilar, CO 81020

The Known & Unknown Heirs, Successors & Assigns of Ronald Montoya c/o Candeiaria Montoya P.O. Box 215 Aguilar, CO 81020

Deborah Ann Hall Morrisey 1620 Parkside Circle Lafeyette, CO 80026

Deborah Ann Morrissey 1620 Parkside Circle Lafayette, CO 80026 Thomas P. Morrissey & Jenifer S. Morrissey 5569 North County Road 29 Loveland, CO 80538

The Known & Unknown Heirs, Successors & Assigns of Concepcion Ortiz do Fred K. Ortiz 2404 16th Ave. Canvon.TX 79015

Concepcion Ortiz c/o Fred K. Ortiz 2404 16th Ave. Canyon,TX 79015

Lupita Passarelli & Edith Ortiz 22920 Trujillo Creek Rd. Aguilar, CO 81020

Virgil Peterson P.O. Box 187 Watkins, CO 80137

The Known & Unknown Heirs, Successors & Assigns of Steven Ray Poe c/o Ernest Vigil 1680 Dale Ct. Denver, CO 80219

The Known & Unknown Heirs, Successors & Assigns of Steven Ray Poe c/o Duane A. Vigil 9712 W. Polk Dr. Littleton, CO 80123

Rocky Mountain Fuel Company 910 15th Street, Ste. 756 Denver, CO 80202

Anna M. Sandoval 709 Park Street Trinidad. CO 81082

The Known & Unknown Heirs, Successors & Assigns of Thomas H. Sayer c/o John C. Hamilton 530 Madison Pueblo, CO 81004

Thomas H. Sayer c/o John C. Hamilton 530 Madison Pueblo, CO 81004

The Known & Unknown Heirs, Successors & Assigns of William F. Sayer c/o John C. Hamilton 530 Madison Pueblo, CO 81004

William F. Sayer c/o John C. Hamilton 530 Madison Pueblo, CO 81004 John Christopher Scarafiotta P.O. Box 596 Aguilar, CO 81020

John J. Scarafiotti P.O. Box 596 Aguilar, CO 81020

Laurie Scarafiotta P.O. Box 596 Aguilar, CO 81020

Carl A. Sciacca & Gwendolyn A. Murphy 43500 Hwy. 160 Trinidad, CO 81082

Nina Fernald Seibel 108 Rugosa Drive Folsom, CA 75630

Gene M. Shannon & PatriciaJ. Shannon 2214 Princeton Way

The Known & Unknown Heirs, Successors & Assigns of Amelia Sporleder c/o Spur Leather Partnership P.0. Box 642 Walsenburg, CO 81089

Amelia Sporleder c/o Spur Leather Partnership P.O. Box 642 Walsenburg, CO 81089

The Known & Unknown Heirs, Successors & Assigns of Barbara C. Sporleder c/o Spur Leather Partnership P.O. Box 642 Walsenburg, CO 81089

The Known & Unknown Heirs, Successors & Assigns of Barbara Sporleder c/o C. S. Sporleder, Jr. P.O. Box 642 Walsenburg, CO 8 1089-0642

Barbara Sporleder c/o Spur Leather Partnership P.O. Box 642 Walsenburg, CO 81089

Barbara Sporleder c/o C. S. Sporleder, Jr. P.O. Box 642 Walsenburg, CO 8 1089-0642

The Known & Unknown Heirs, Successors & Assigns of Caroliyn J. Sporleder c/o Spur Leather Partnership P.O. Box 642 Walsenburg, CO 81089

Caroliyn J. Sporleder c/o Spur Leather Partnership P.O. Box 642 Walsenburg, CO 81089 The Known & Unknown Heirs, Successors & Assigns of Freda Sporleder c/o Spur Leather Partnership P.O. Box 642 Walsenburg, CO 81089

Freda Sporleder c/o Spur Leather partnership P.O. Box 642 Walsenburg, CO 81089

Spur Leather Partnership P.O. Box 642 Walsenburg, CO 81089

Stewart Petroleum Corporation 8 Inverness Drive East, # 101 Englewood, CO 80112

George P. Sutak & Betty L. Sutak P.O. Box 504 Aguilar, CO 81020

Edward S. Swarnick 395 Floyd Drive Smyrna, GA 30080

The Taylor Coal Mining Company, a partnership c/o Sam T. Taylor P.O. Box 40 Tres Piedras, NM 87577

The Known & Unknown Heirs, Successors & Assigns of Anne Torres c/o Gordon & Annette Y. Lucero 19019 County Road 50.9 Aguilar, CO 81020

Carol Vezzanj P.O. Box 811 Walsenburg, CO 81089

Max & Sharon Vezzani 61 County Road 321 Walsenburg, CO 81089

Duane Vigil c/o Duane A. Vigil 9712 W. Polk Dr. Littleton, CO 80123

Duane Vigil c/o Ernest Vigil 1680 Dale Ct. Denver, CO 80219

The Known & Unknown Heirs, Successors & Assigns of Duane Vigil c/o Duane A. Vigil 9712 W. Polk Dr. Littleton, CO 80123

The Known & Unknown Heirs, Successors & Assigns of Duane Vigil c/o Ernest Vigil 1680 Dale Ct. Denver, CO 80219 Ernest A. Vigil c/o Ernest Vigil 1680 Dale Ct. Denver, CO 80219

Jennie Vigil 7693 Wyandot Denver, CO 80221

Orlando & Alice Vigil 1 18 W. Lombardy Aguilar, CO 81082

Anthony Zamora 7693 Wyandot Denver, CO 80221

Berniece Zamora 1107 Brown Pueblo, CO 81004

Ross Zamora, Jr. 7693 Wyandot Denver. CO 80221

Rosendo Zamora 7693 Wyandot Denver, CO 80221

Max Vezzani 61 County Road 321 Walsenberg, CO 81089