

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

IN THE MATTER OF THE APPLICATION OF
CHEVRON U.S.A. INC. FOR AN ORDER
ESTABLISHING WELL LOCATION AND SETBACK
RULES FOR THE DRILLING OF WILLIAMS FORK,
ILES AND SEGO FORMATION WELLS ON
CERTAIN DESCRIBED LANDS IN THE GRAND
VALLEY FIELD AREA, GARFIELD COUNTY,
COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW Chevron U.S.A. Inc. ("Applicant"), a Pennsylvania corporation, 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, Iles and Sego Formations 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:

That Applicant is a corporation duly authorized to conduct business in the State of Colorado.

That Applicant owns the mineral estate underlying the following described lands (hereinafter "Application Lands"):

Township 6 South, Range 98 West, 6th P.M.

Section 14: Tract 68

Section 15: Tract 68

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

That the Commission recently approved ten (10) acre density drilling for certain described lands in Applicant's application in Docket 0608-AW-14. The Application Lands were not included in this application because at the time Applicant was unsure that it owned the oil and gas mineral estate underlying such lands. Applicant now has confirmed that it does own such oil and gas mineral estate and wishes to include such lands within the area approved for 10 acre density drilling under the application in Docket 0608-AW-14.

That multiple wells have been drilled, tested and completed in the Williams Fork Formation of the Mesaverde Group upon the Application Lands or upon lands in close proximity to the Application lands.

That as to the Application Lands, the Commission should allow Williams Fork, Iles and Sego Formation wells to be drilled on a ten acre density basis in the same manner and subject to the same setback requirements as set forth in the application in Docket 0608-AW-14.

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.

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 October, 2006, 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: August 24, 2006.

POULSON, ODELL AND PETERSON, LLC

By: _____
William A. Keefe
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
Phone: 303-861-4400

EXHIBIT A

Timothy Pinson
Garfield County
Henry Building
144 E. 3rd St.
Rifle, CO 81650

Oxy USA WTP LP
6 Desta Drive #1600
Midland, TX 79705-5505

Oxy USA WTP LP
5 Greenway Plaza, Suite 110
Houston, TX 77046-0506

Kevin Goldstein
Chevron (USA) Inc.
11111 South Wilcrest
Post Office Box 36366
Houston, TX 77236

William A. Keefe
POULSON, ODELL & PETERSON, LLC
1775 Sherman Street, Suite 1400
Denver, CO 80203

VERIFICATION

STATE OF TEXAS)
)
) ss.
 _____ COUNTY)

_____ of lawful age, being first duly sworn upon oath, deposes and says that he is _____ for Chevron U.S.A. Inc. 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.

Subscribed and sworn to before me this _____ day of June, 2006.

Witness my hand and official seal.

My commission expires:_____

Notary Public

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AFFIDAVIT OF MAILING

STATE OF COLORADO)
)
CITY AND COUNTY OF DENVER) ss.

William A. Keefe of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for Chevron U.S.A. Inc., that on August 24, 2006, he caused a copy of the attached Application in the subject docket to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

William A. Keefe

Subscribed and sworn to before me on August 24, 2006.

Witness my hand and official seal.

My commission expires: July 22, 2007.

Notary Public