

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

IN THE MATTER OF THE APPLICATION
OF CHEVRON MIDCONTINENT, L.P.
AND FOUR STAR OIL & GAS COMPANY,
IGNACIO-BLANCO FIELD, LA PLATA
COUNTY, COLORADO.

CAUSE NO. 112

DOCKET NO.

VERIFIED APPLICATION

COMES NOW, the applicants, Chevron Midcontinent, L.P. and Four Star Oil & Gas Company ("Applicant"), by and through their attorneys, Beatty & Wozniak, P.C. and make application to the Oil and Gas Conservation Commission of the State of Colorado for an order to permit, at the option of the operator, third and fourth wells to be drilled in certain 320 acre drilling and spacing units in the Ignacio-Blanco Field in La Plata County, Colorado. In support thereof, Applicant states as follows:

Applicant is the owner of certain oil and gas leases and the operator of wells producing from the Fruitland Coal seams in the Ignacio-Blanco Field in the following described lands (grouped to indicate approximate 320 acre drilling and spacing units):

Township 34 North, Range 9 West, NUL

Section 1: N/2 and S/2

Section 2: S/2

Township 34 North, Range 8 West, NUL

Section 5: W/2

Section 7: N/2 and S/2

Section 8: N/2

Township 34.5 North, Range 9 West, NUL

Section 36: N/2 and S/2

(hereinafter "Application Lands")

1. By Cause No. 112, Order No. 112-60, entered June 17, 1988, the Oil and Gas Conservation Commission established approximate 320 drilling and spacing units for production of methane gas from the Fruitland Coal seams in the Ignacio-Blanco Field, including those approximate 320 acre drilling and spacing units comprising the Application Lands

2. By Cause No. 112, Order No. 112-156 entered July 11, 2000, the Oil and Gas Conservation Commission granted, at the discretion of the operator, an additional well in certain described 320 acre drilling units including those constituting the Application Lands) for the

production from the Fruitland Coal seams, with the permitted well in each unit to be located in the in any undrilled quarter section no closer than 990 feet to any outer boundary of the unit nor closer than 130 feet to any interior quarter section line. Additional wells located in the E/2 of the irregular sections of Township 34.5 North shall be located no closer than 990 feet to any outer boundary of the unit, nor closer than 130 feet to any interior quarter section line.

3. Subsequent drilling and production operations in the Fruitland Coal seams in the Ignacio-Blanco Field have provided geological and engineering evidence to the effect that, within the approximate 320 acre drilling and spacing units constituting the Application Lands, two wells in the Fruitland coal seams will not efficiently and economically drain an area of 320 acres. Applicant believes and asserts that up to four (4) wells may be required in each such drilling and spacing unit of the Application Lands to drain the Fruitland Coal seams efficiently and economically. Applicant requests that, at the discretion of the operator, third and fourth optional wells be permitted to be drilled to and produce from the Fruitland Coal seams in each approximate 320-acre drilling and spacing unit of the Application Lands. Applicant alleges that each such drilling and spacing unit is not smaller than the maximum area that can be efficiently and economically drained by four wells in the Fruitland Coal seams, and that the correlative rights of all parties will be protected. Applicant further alleges that the additional wells may be drilled in a manner consistent with the protection of public health, safety and welfare.

4. To prevent waste, to protect correlative rights, to ensure the proper and efficient development of the Fruitland Coal seams in the Application Lands, and to ensure the greatest ultimate recovery of gas and associated hydrocarbon substances from the Fruitland Coal seams in the Application Lands, Applicant requests that after notice and hearing as provided by law, the Commission issue its order providing that, at the option of the operator, four wells may be drilled to and produced from the Fruitland Coal seams on each approximate 320-acre drilling and spacing unit of the Application Lands and that the permitted location for any well drilled to the Fruitland Coal seams should be located bottomhole within each 320 acre drilling unit no closer than 660 feet to any outer boundary of the unit and no closer than 130 feet to any interior section line with the Director having the right to approve exceptions to the permitted well locations for geological, topographic or surface location concerns.

5. Applicant states that to the best of its information and belief, Exhibit A attached hereto is the list of the names of owners required to be notified in accordance with Commission Rule 507.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing by the Commission; that notice hereof be given as required by law; and that upon hearing this Commission issue its order granting this Verified Application as requested. 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 9th day of October, 2008.

Respectfully submitted,

Chevron Midcontinent, L.P.
Four Star Oil & Gas Company

By: _____
William A. Keefe, Their Attorney
Beatty & Wozniak, P.C.
216 Sixteenth Street, Suite 1100
Denver, Colorado 80202
Phone: (303) 407-4499
Fax: (303) 407-4494
Email: wkeefe@bwenergylaw.com

Applicants' Address:

Chevron Midcontinent, L.P.
11111 South Wilcrest
Houston, TX 77099

Four Star Oil & Gas Company
P.O. Box 845896
Dallas, TX 75284

VERIFICATION

STATE OF _____)
)
COUNTY OF _____) SS.

Marty P. Babin, Senior Land Representative of Chevron USA Inc., 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.

Marty P. Babin

Subscribed to and sworn to before me this _____ day of October, 2008 by Marty P. Babin, Senior Land Representative of Chevron USA Inc.

My Commission expires:

Notary Public

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

IN THE MATTER OF THE APPLICATION OF
CHEVRON MIDCONTINENT, L.P. AND FOUR
STAR OIL & GAS COMPANY, IGNACIO-
BLANCO FIELD, LA PLATA COUNTY,
COLORADO.

ORDER NO: 112

DOCKET NO:

AFFIDAVIT OF MAIL

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

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

That he is the attorney for Chevron Midcontinent, L.P. and Four Star Oil & Gas Company, Applicants herein; that on the _____ day of October, 2008, he caused a copy of the attached Verified Application to be deposited in the United States Mail, postage prepaid, addressed to each of the parties listed on Exhibit "A" to the Application.

By: William A. Keefe

Subscribed and sworn to before me this _____ day of October 2008.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A

BP America Production Company
Attn: Michael Walcher
185 Suttle Street
Durango, CO 81303

Gail Johnston
P.O. Box 5311
Durango, CO 81302

Hugh M. Felt
965 Hwy. 172
Durango, CO 80302

James Allen Dodrill
Martha Dodrill
809 Hwy 172
Durango, CO 81303

Monica Oldham
1324 N. Loop
Silver City, NM 58061

Southern Ute Indian Tribe
P.O. Box 369
Ignacio, CO 81137

Edwards Energy
1200 17th Street, Suite 1025
Denver, CO 80202

Alvin L. Forbach
E. Elfreda M. Forbach
Address unknown

DeLeo Living Trust dated 9/5/95
60 Vista Linda Avenue
Durango, CO 81301

Jerry J. Jackson
Carol J. Jackson
25 CR 231
Durango, CO 81303

Mark S. Crom
36 Vista Linda Lane
Durango, CO 81303

Mary Katherine
64 Aspen Drive DWII
Durango, CO 81301

Paul W. Hook
Judith Ann Hook
1340 Avenida Del Sol
Durango, CO 81301

Raymond L. Lunnon
Michelle E. Lunnon
523-A S. Camino Del Rio
Durango, CO 81301

Robert Ewing
Lorina Ewing
77 Roach Ranch Road
Durango, CO 81301

Robert Thomas Strain
Susann Marie Strain
302 CR 231
Durango, CO 81301

Stacy E. Toppin
Kristen L. Toppin
51 CR231
Durango, CO 81303

Steven C. Heising
P.O. Box 18432
Boulder, CO

W.R. Jackson
Ruby Jackson
Address unknown

MSI
Attn: Peter M. Mueller, Proprietor
4538 E. Links Parkway
Centennial, CO 80122

SG Interests I, LTD
909 Fannin, Suite 2600
Houston, TX 77010

XTO Energy, Inc.
810 Houston Street
Fort Worth, TX 76102-6298

BP America Production Co.
P.O. Box 21868
Tulsa, OK 74121

Four Star Oil & Gas Company
P.O. Box 845896
Dallas, TX 75284

WMK Trust
Attn: Stepan Kahan, Tr.
1011 Spruce Street
Boulder, CO 80302

Yvonne Cox
17399 West William Street
Cambridge City, IN 47327

WS & DM, Inc.
370 17th Street, Suite 3120
Denver, CO 80202

EXHIBIT A

Byron Dare
Kathleen Fine
1833 CR 228
Durango, CO 81301

Cempco Inc.
P.O. Box 33853
Indialantic, FL 32903

JDH Resources LLC
9998 E. Hawaii Place
Denver, CO 80247

Rio Blanco Energy Inc.
5505 Preserve Parkway South
Greenwood Village, CO 80121

Catamount Royalties
5505 Preserve Parkway South
Greenwood Village, CO 80121

Florida River Partners II, LLC
1025 County Rd. 225
Durango, CO 81301

Linda S. Lawler
752 County Road 234
Durango, CO 81301

Rainbow Trust
Attn: Billy Clary & Cathy Crawford,
Trustees
2602 W. 16th Street
Plainview, TX 79072

Jim & Emma Jo Green J/T
540 Bear Paw Lane North
Colorado Springs, CO 80906

BP America Production Co.
P.O. Box 848103
Dallas, TX 75284-8103

Four Star Oil & Gas Inc.
P.O. Box 4791
Houston, TX 77210-4791

Lawrence W. Cohen
P.O. Box 2072
Boulder, CO 80306

Red Willow Production LLC
P.O. Box 369
Ignacio, CO 81137

Chevron Midcontinent, L.P.
P.O. Box 4791
Houston, TX 77210-4791

XTO Energy Inc.
P.O. Box 730586
Dallas, TX 75373-0586

C.A. Tsegl
T.A. Petrowski R.S.
Address unknown

El Paso Exp. & Prod. Co. LP
P.O. Box 200682
Houston, TX 77216-0682

Kinney Oil Company
1401 17th Street, Suite 870
Denver, CO 80202

PKP LLC
6472 South Valley Drive
Morrison, CO 80465

Catamount Royalty Partners LTD.
P.O. Box 22085
Denver, CO 80222

Finley Resources Inc.
P.O. Box 2200
Fort Worth, TX 76113

El Paso E&P Company LP
1001 Louisiana Street
Houston, TX 77001-0000