

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

IN THE MATTER OF THE APPLICATION
OF CHEVRON MIDCONTINENT, L.P.,
IGNACIO-BLANCO FIELD, LA PLATA
COUNTY, COLORADO.

CAUSE NO. 112

DOCKET NO.

VERIFIED APPLICATION

COMES NOW, the Applicant, Chevron Midcontinent, L.P. ("Applicant"), by and through its attorneys, Poulson, Odell & Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order to permit the drilling of a well in a certain 320 acre drilling and spacing unit in the Ignacio-Blanco Field in La Plata County, Colorado. In support thereof, Applicant states as follows:

APPLICATION LANDS

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:

Township 34 North, Range 9 West, NMPM (NUL)
Section 3: E/2

(hereinafter "Application Lands")

1. By Cause No. 112, Order No. 112-61 entered September 7, 1988, the Oil and Gas Conservation Commission established 320 drilling and spacing units for production of methane gas from the Fruitland Coal seams in the Ignacio-Blanco Field, including the 320 acre drilling and spacing unit comprising the Application Lands. Each unit established under the order shall consist of the N/2 and S/2 or the E/2 and W/2 of a full section with the permitted well located, when north of the north line of T32N, in the NW/4 and SE/4 of the section, and when south of the north line of T32N, in the NE/4 and SW/4 of the section, and no closer than 990 feet to any outer boundary of the unit, nor closer than 130 feet to any interior quarter section line.

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 the unit constituting the Application Lands for the production from the Fruitland Coal seams, with each such additional well in a unit to be located 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. Such order also provided *inter alia* that a Commission hearing would be required before a drilling permit may be issued for a well site located within one and one-half miles of the outcrop contact between the Fruitland and Pictured Cliffs Formations, the purpose of the hearing being to address potential adverse impact to the Fruitland outcrop.

3. One Fruitland coal well has been drilled upon the SE/4 of the Application Lands. Applicant now plans to drill a second well (Crader 3-3 well) with a bottomhole location within the Fruitland's coal seams at a legal location in the NE/4 of the Application Lands. Such downhole location within the Fruitland coal seams is within one and one-half mile of the outcrop contact between the Fruitland and Pictured Cliffs Formations.

4. For this reason, Applicant hereby requests that this matter be set for hearing either before a hearing officer of the Commission or before the full Commission at its December hearing date. At such hearing, Applicant intends to present evidence indicating that there will be no potential adverse impacts to the Fruitland outcrop.

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 finding that there will be no potential adverse impacts to the Fruitland outcrop by the drilling of the Crater 3-3 well at its planned downhole location. 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 ____ day of October, 2007.

Respectfully submitted,

Chevron Midcontinent, L.P.

By: _____
William A. Keefe, Its
Poulson, Odell & Peterson, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
Phone: (303) 861-4400

Applicants' Address:

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

VERIFICATION

STATE OF TEXAS)
)
COUNTY OF HARRIS) ss.

Marty P. Babin, Senior Land Representative of Chevron Midcontinent L.P., 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, 2007 by Marty P. Babin, Senior Land Representative of Chevron Midcontinent, L.P.

My Commission expires:

Notary Public

Address: _____

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

IN THE MATTER OF THE APPLICATION OF
CHEVRON MIDCONTINENT, L.P., 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., Applicant herein; that on the 31st day of October, 2007, he caused a copy of the attached 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 31st day of October, 2007.

Witness my hand and official seal.

My commission expires: July 22, 2011

Notary Public

EXHIBIT A

JKV Corporation
8601 W. Cross Dr. #5-5-208
Littleton, CO 80123-0702

BP America Production Co
501 Westlake Park Blvd
Houston, TX 77079

Johathan Ain
17153 Buttonwood Shores West
Sugarloaf Shores, FL 33042-3666

Catamount Royalty Partners
P.O. Box 22084
Denver, CO 80222

Chevron USA Inc
11111 S. Wilcrest Dr.
Houston, TX 77099

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

Marty Babin
ChevronTexaco
11111 South Wilcrest
Houston, TX 77099

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

BP America Production Co
380 Airport Road
Durango, CO 81303

El Paso Production Company
1099 18th St, Ste 1900
Denver, CO 80202-1918

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

Bureau of Land Management
2850 Youngfield St.
Lakewood, CO 80215

Brett Sherman
La Plata County
1060 East 2nd Avenue
Durango, CO 81301