

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

IN THE MATTER OF THE DETERMINATION OF)	CAUSE NO. 1
RESPONSIBLE PARTY STATUS FOR THE)	
ANDERSON-COOMBS WELL IN THE)	DOCKET NO. 0510-GA-04
WATTENBERG FIELD, WELD COUNTY, COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Rule 524.a. of the Rules and Regulations of the Oil and Gas Conservation Commission provides that a hearing may be initiated upon application to decide the responsible party status upon at least twenty (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.

On August 2, 2005, West Evans Commercial Investments, LLC (“West Evans”), and Blue Chip Oil, Inc. (“Blue Chip”), by their attorney, filed with the Commission a verified 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 located in the NW¼ NW¼ of Section 25, Township 5 North, Range 66 West, 6th P.M., (the Well) and/or related facilities.

Kerr-McGee Rocky Mountain Corporation (“Kerr-McGee”) was the owner and operator of the Well and related facilities until May 1, 2003. Effective May 1, 2003, West Evans, LLC, 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.

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. The Kumar report concluded that there was contamination from the Well and/or related facilities.

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.

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.

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.

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.

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.

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. 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.

NOTICE IS HEREBY GIVEN, that the Oil and Gas Conservation Commission of the State of Colorado, pursuant to the above, has scheduled the above-entitled matter for hearing on:

Date: Monday, October 31, 2005

Time: 10:00 a.m.

Place: Ramada Inn & Suites
124 West 6th Street
Glenwood Springs, CO 81601

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 139, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than October 17, 2005 briefly stating the basis of the protest or intervention. Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and nine (9) copies shall be filed with the Commission (Rule 503.f.). **Anyone who files a protest or intervention must be available to participate in a prehearing conference during the week of October 17, 2005.** Pursuant to Rule 503.e., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules.

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Patricia C. Beaver, Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
September 30, 2005

Attorney for Applicant:
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