

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

IN THE MATTER OF THE APPLICATION OF)
BP AMERICA PRODUCTION COMPANY FOR)
AN ORDER POOLING ALL NONCONSENTING)
INTERESTS IN THE FRUITLAND COAL)
FORMATION IN AN ESTABLISHED 320-ACRE)
DRILLING AND SPACING UNIT LOCATED IN)
THE IGNACIO BLANCO FIELD, LA PLATA)
COUNTY, COLORADO)

Cause No. 112

Docket No. _____

APPLICATION

BP America Production Company (referred to herein as "Applicant"), by and through its undersigned attorney, hereby submits this application to the Oil and Gas Conservation Commission of the State of Colorado ("COGCC"), for an order to pool all non-consenting interests for the drilling of wells in established 320-acre drilling and spacing units in the Fruitland Coal Formation consisting of the E½ of Section 9U, Township 34 North, Range 7 West, N.M.P.M., La Plata County, Colorado and E½ of Section 4U, Township 34 North, Range 7 West, N.M.P.M., La Plata County, Colorado. In support thereof, the Applicant states and alleges as follows:

1. That the Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. That the Applicant owns certain mineral interests in the unit requested for pooling.
3. That pursuant to COGCC Orders originally established in Cause No. 112, specifically Order Nos. 112-46, 112-157 and 112-180, there are established 320-acre drilling and spacing units for the production of gas from the Fruitland coal seams, including the following described lands at issue in this Application.

Township 34 North, Range 7 West, N.M.P.M., SUL
Section 9U: E½
Section 4U: E½

An optional second Fruitland coal seam well was authorized by Order No. 112-157 in the 320-acre drilling and spacing unit for the production of gas from the Fruitland coal seams underlying the lands described above. Subsequently, Order No. 112-180 authorized a total of four (4) wells to be optionally drilled in each 320-acre drilling and spacing unit, with the permitted well to be located no closer than 660 feet to any outer boundary of the unit with no interior section line setback, utilizing a common or expanded pad with an existing well, for production of gas from the Fruitland coal seams.

4. Applicant has drilled the following well within the 320-acre drilling and spacing unit described in paragraph 3 above as follows: the Knight GU E #3 Well ("Well").
5. According to the title work completed by Applicant, there are unleased interests in the described unit; those interests are described on the attached Exhibit A.
6. Attached hereto as Exhibit B is a letter that was sent by Applicant to each unleased interest owner offering each of them the opportunity to lease their respective interests in the unit to Applicant and to participate in the drilling of the Well.
7. The offer to lease was made pursuant to C.R.S. § 34-60-116(7) c and Rule 530 of the rules of the Commission and the terms thereof comply with the requirements of the statute and rule.
8. That some of the parties listed on Exhibit A hereto own separate leased mineral interests in the E½ of Section 9U and the E½ of Section 4U encompassed within

the drilling and spacing unit, and such parties have been offered the option to participate in the drilling of the wells in the unit, but to date one or more of such parties have refused to participate by bearing their proportionate shares of the costs and risks of drilling or operating the wells. An AFE containing the information required by COGCC Rule 530.a. was sent regarding this well more than thirty (30) days prior to the date of the hearing on this Application. A copy of an example of such AFE and letter is attached hereto as Exhibit B.

9. That in order to prevent waste, protect correlative rights and in the best interests of conservation, all interests owned by the nonconsenting parties listed on Exhibit A should be pooled in the Fruitland Coal Formation in accordance with C.R.S. §34-60-116 and Rule 530 of the COGCC.

10. That the names and addresses of the interested parties with respect to this Application are as set forth in Exhibit A hereto.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice thereof be given as required by law and that upon such hearing this Commission enter its order:

A. That all leasehold working interest owners with whom Applicant has been unable to secure an agreement for the drilling of the proposed wells as described in paragraph 4 be pooled involuntarily with respect to the Fruitland Coal Formation Wells, to be located within the drilling and spacing unit described above, and that such owners be treated as non-consenting owners under C.R.S. §34-60-116 and made subject to the terms and penalties provided for therein.

B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this ____ day of September, 2009.

Respectfully submitted,

BP AMERICA PRODUCTION COMPANY

By: _____

Michael J. Wozniak
Susan L. Aldridge
BEATTY & WOZNIAK, P.C.
216 16th Street, Suite 1100
Denver, CO 80202
(303) 407-4499

Applicants' Address:

BP AMERICA PRODUCTION COMPANY
501 WESTLAKE BLVD
HOUSTON, TX 77079

VERIFICATION

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

Debra Bacon of lawful age, being first duly sworn upon oath, deposes and says that she is the San Juan Land Manager for BP America Production Company and that she has read the foregoing Application and that the matters therein contained are true to the best of her knowledge, information and belief.

Craig T. Ferguson

Subscribed and sworn to before this ____ day of September, 2009.

Witness my hand and official seal.

My commission expires:

Notary Public

[SEAL]

EXHIBIT A

INTERESTED PARTIES

CATAMOUNT ROYALTY
PARTNERS LTD
P O BOX 22084
DENVER, CO 80222

JDH RESOURCES LIMITED
LIABILITY CO
9998 E HAWAII PLACE
DENVER, CO 80247

PATRICIA MCDONALD CHANDLER
TRUST
4565 EAST MEXICO AVENUE
HOUSE NO 22
DENVER, CO 80222

MCKINNEY REVOCABLE TRUST
181 CR 3100
AZTEC, NM 87410

NANCY L UPTON LIVING TRUST
1105 TROWBRIDGE LN
ROCKFORD, IL 61107-2837

JIMMY C & MARY ANN WRIGHT
602 SW 12TH
SEMINOLE, TX 79360

CAROLE L MCWILLIAMS
PO BOX 693
BAYFIELD, CO 81122-0693

RONALD G AND SHARON K
THOMPSON
NO KNOWN ADDRESS
DOVER, DE 19901

HARRY A AND NINA M SMITH
4855 CR 516
BAYFIELD, CO 81122-9410

TODD A AND COLLEEN M PERRY
81 VIOLET LANE
BAYFIELD, CO 81122

FERN E PORTER
1170 W WABASH ST #12
TUCSON, AZ 85705

MARTIN AND MARY MORENO
775 CO RD 300
DURANGO, CO 81301-8061

DONALD D AND ROBIN E SNOOKS
5887 CR 516
BAYFIELD, CO 81122-9411

LIFE ROYALTIES INC
3207 W 4TH STREET
FORT WORTH, TX 76107

JOHN ALVIN JAMES
220 BRIARMEADOW
VICTORIA, TX 77904-2520

MARTHA MONTGOMERY
PO BOX 2165
BLOOMFIELD, NM 87413-2165

DONALD E & GLORIA J DAYHUFF
2148 PINON DRIVE
ERIE, CO 80516-7956

ELOUISE TURNER CROSS
67 WEST 100 NORTH 16-9
BLANDING, UT 84511-3609

GEORGE KORTHUIS
2655 S PATTON CT
DENVER, CO 80219-5715

LORRAINE BILLMAN
226 EUGENE WAY
HENDERSON, NV 89015-7060

GLORIA J MAUNEY
44 S ADAMS, #634
DENVER, CO 80209

SHIRLEY LUCILLE HAGLER
572 PADGETTS RD
OPELIKA, AL 36801-0606

RUBY L HAAKSMA
c/o WANDA L RAKETICH
HACIENDA HEIGHTS, CA 91745

SCOTT R RIDL
6061 RUSSELL LANE
ARVADA, CO 80403

ROBERT L MCCOY
5607 CR 516
BAYFIELD, CO 81122

BLACK STONE NATURAL
RESOURCES I LP
PO BOX 201316
HOUSTON, TX 77216

RAWHIDE LLC
12944 SILVER ELK LANE
LITTLETON, CO 80127

JAY E AND GRETCHEN DEHAAN
HIGHLAND
PO BOX 560
BAYFIELD, CO 81122

MAINARD W & ELIZABETH J
HEIDEN
288 ANIMAS VIEW DR #85
DURANGO, CO 81301-8913

GARY K JAMES
1065 HARTIG DR
DELTA, CO 81416

ANTHONY W JAMES
PO BOX 30658
SPARKS, NV 89435

TANYA L JAMES
4775 SUMMIT RIDGE DRIVE
APT 1065
RENO, NV 89523

CALVIN R JAMES
6102 DIPLOMAT DR
RENO, NV 89523

LIZA M BRADLEY
2355 MUELLER DR
RENO, NV 89509

OIL PROPERTIES HOLDING II LLC
475 17TH ST, SUITE 1210
DENVER, CO 80202

FRONTIER LAND & EXPLORATION
8400 MENAUL BLVD NE SUITE 449
ALBUQUERQUE, NM 87112

MICHELE RICCA
8025 W PRESTON LN
PHOENIX, AZ 85043

KORTNEY KLINE
12910 CR 29
DOLORES, CO 81323

MONTE RICCA
28946 ROAD N
DOLORES, CO 81323

KATHLEEN MAJKA
PO BOX 38
LEWIS, CO 81327

KNIGHT FAMILY TRUST
PO BOX 472
BAYFIELD, CO 81122-0472

RONALD AND DOROTHY CLAFLIN
REV TR
3250 ADAMS AVE
CANON CITY, CO 81212-9345

J & J TRUCKING OF
DURANGO, LLC
125 HOPE ROAD
BAYFIELD, CO 81122

RONALD G. THOMPSON AND
SARAH M. THOMPSON
P.O. BOX 372
BAYFIELD, CO 81122

FOUR STAR OIL AND GAS
PO BOX 4538
HOUSTON, TX 77210

RED WILLOW PRODUCTION
COMPANY
PO BOX 369
IGNACIO, CO 81137-0369

BP AMERICA PRODUCTION
COMPANY
501 WESTLAKE BLVD
HOUSTON, TX 77079

SOUTHERN UTE INDIAN TRIBE
PO BOX 369
IGNACIO, CO 81137