

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 an established 320-acre drilling and spacing unit in the Fruitland Coal Formation consisting of the S½ of Section 18, 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 18U: S½

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. On February 1, 2009, Applicant drilled the following well within the 320-acre drilling and spacing unit described in paragraph 3 above as follows: the McCoy, Robert Gas Unit B #3 Well (the "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 S½ of Section 18 encompassed within the drilling and spacing unit, and such parties have been offered the option to participate in the drilling of the Well 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 Well. 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 Well 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 he 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.

Debra Bacon

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

MARY ELLEN BROWN
PO BOX 633
IGNACIO, CO 81137

RUTH ETTA JOHNSON
PO BOX 71
BAYFIELD, CO 81122

CLYDE WILLIAM PEARSON
3901 CR 514
IGNACIO, CO 81137

PATRICIA JEAN MICKEY
PO BOX 1672
IGNACIO, CO 81137-1672

DAVID LEE KERR , AND
337 CANYON RIM CT
GRAND JUNCTION, CO 81503

MARY E PHILLIPS
3307 NW 3RD ST
BENTONVILLE, AR 72712

DANNY AND BARBARA JAQUES
3503 COUNTY ROAD 514
IGNACIO, CO 81137-9708

MILDRED E AND LARRY D KIRBY
1009 HUNTERS POINTE RD
EDMOND, OK 73003

DELBERT AND SYLVIA LOU
MCDANIEL
1524 W AGATE WAY
MUSTANG, OK 73064

FRED G AND DEBORAH L DUKES
166 CR 2755
AZTEC, NM 87410

MARK D AND SHERRI D CHANEY
23919 PEPPERRELL PL
KATY, TX 77493-2606

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

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

ROBERT L AND RUBY L MCCOY
8226 CR 510
BAYFIELD, CO 81122-0122

JAMES F LASHLEY JR
3938 EAST GRANT ROAD #187
TUCSON, AZ 85712

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

SCOTT R RIDL
6061 RUSSELL LANE
ARVADA, CO 80403

RAYMOND E AND MILDRED M
CHANEY
6395 N SH 16
LLANO, TX 78643

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

MARI R OTTO
108 N W O STREET
BENTONVILLE, AR 72712

RAWHIDE LLC
12944 SILVER ELK LANE
LITTLETON, CO 80127

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

MERI L AND JAMES A BORST
3259 CR 514
IGNACIO, CO 81137

JERILYN J TRAUSCH
3259 CR 514
IGNACIO, CO 81137

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

FRONTIER LAND AND
EXPLORATION
ATTN: V.A. MCDANIEL
8400 MENAUL BLVD., NE, #449
ALBUQUERQUE, NM 87112

BP AMERICA PRODUCTION
COMPANY
501 WESTLAKE BLVD
HOUSTON, TX 77079

SOUTHERN UTE INDIAN TRIBE
PO BOX 369
IGNACIO, CO 81137