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

IN THE MATTER OF THE	)
PROMULGATION AND	) Cause No. 112
ESTABLISHMENT OF FIELD RULES	) Docket No. 180900630
TO GOVERN OPERATIONS IN THE IGNACIO-BLANCO FIELD, LA PLATA	
COUNTY, COLORADO	) Type: POOLING

#### APPLICATION

BP America Production Company, Operator No. 10000 ("Applicant"), respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to vacate, as to certain parties, of Order No. 112-259 which subject all nonconsenting interests to the cost recovery provisions of § 34-60-116(7) C.R.S., for the drilling of the Rhodes #1 Well (API No. 05-067-09955), within an approximate 363-acre drilling and spacing unit, for the development and operation of the Fruitland Coal Formation, on the following described lands:

Township 34 North, Range 6 West, N.M.P.M.(SUL)

Section 6U: E1/2 (Lots 1 and 2)

Section 7U: E1/2

La Plata County, Colorado (hereafter the "Application Lands").

In support of its Application, Applicant states and alleges as follows:

- 1. Applicant is a corporation duly authorized to conduct business in the State of Colorado and is an operator in good standing with the Commission.
- 2. Applicant owns an approximate 92% leasehold interest in the Application Lands and is eligible to apply for the relief requested herein pursuant to Rule 503.b.
- 3. On June 17, 1988, Order No. 112-60 established 320-acre drilling and spacing units for certain lands including the Application Lands for the production of gas from the Fruitland coal seams, with the permitted well to 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, for the production of methane gas from the Fruitland coal seams.

<sup>&</sup>lt;sup>1</sup> Applicant notes that certain historical COGCC orders covering the Application Lands refer to the "Fruitland coal seams." It is Applicant's understanding that the Fruitland coal seams and the Fruitland Coal Formation are one in the same and references to each shall be used interchangeably.

- 4. On August 15, 1988, Order No. 112-61 amended parts of Order No. 112-60 and established rules for the production of coalbed methane for certain lands including the Application Lands in the Fruitland coal seams, with the productive interval of the wellbore to be no closer than 990 feet to any outer boundary of the unit, and no closer than 130 feet to any interior quarter section line, without exception granted by the Director.
- 5. On December 17, 1990 (Corrected November 7, 1999), Order No. 112-85 established additional field rules for certain lands including the Application Lands for the development and operation of the Fruitland coal seams.
- 6. On December 9, 2008, Order No. 112-215 allowed up to four wells to be optionally drilled in the 320-acre drilling and spacing units for certain lands, including the Application Lands, for the production of gas and associated hydrocarbons in the Fruitland coal seams, with the permitted bottomhole location for any new well to be located no closer than 660 feet to any outer boundary of the unit and with no setback required to any interior quarter section line.
- 7. On December 15, 2014, Order No. 112-246 pooled all interests in the Application Lands for the drilling of the Morales 34-6-7 #1 Well and subjected all nonconsenting interests to the cost recovery provisions of Section 34-60-116(7), C.R.S. for the development and operation of the Fruitland Coal Seam Formation.
- 8. On December 8, 2015, Order No. 112-259 subject all nonconsenting interests in the Application Lands to the cost recovery provisions of § 34-60-116(7) C.R.S., for the drilling of the Rhodes #1 Well for the development and operation of the Fruitland Coal Seam Formation.
- 9. On March 19, 2018, Order No. 112-280 the pooled all interests in the Application Lands for the Morales 34-6-6U #2 Well and subjected all nonconsenting interests to the cost recovery provisions of Section 34-60-116(7), C.R.S. for the development and operation of the Fruitland Coal Seam Formation
- 10. Applicant requests that the Commission vacate Order No. 112-259 as to the parties listed on Exhibit A.
- 11. Pursuant to Rule 503.e, the undersigned certifies that copies of this Application will be served on each interested party listed on Exhibit A no later than seven days after this Application is filed.
  - 12. Applicant agrees to be bound by the oral order of the Commission.

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

- A. Vacating Order No. 112-259 as to the parties listed on Exhibit A.
- B. For such other findings and orders as the Commission may deem proper or advisable in the matter.

Dated: June 19, 2018

Elizabeth Y. Spencer Lead Counsel – West BU

BP America Production Company

1515 Arapahoe Street Tower 1, Suite 700 Denver, Colorado 80202

(832) 619-2442

elizabeth.spencer@bp.com

Address of Applicant
BP America Production Company
Attn: Michael J. Matison
1515 Arapahoe Street
Tower 1, Suite 1200
Denver, Colorado 80202

	VERIFICATION
STATE OF COLORADO	)
	) ss.
COUNTY OF DENVER	)

Michael J. Matison, of lawful age, being first duly sworn upon oath, deposes and says that he is a Land Manager for BP America Production Company and that he has read the foregoing Motion and that the matters therein contained are true to the best of his knowledge, information and belief.

Michael J. Matison

Subscribed and sworn to before me this 15th day of June, 2018.

Witness my hand and official seal.

My commission expires: May 5 zozz

CHRISTOPHER L. SANDOZ NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20184020558 MY COMMISSION EXPIRES MAY 15, 2022

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### **EXHIBIT A**

Catamount Energy Partners 1801 Broadway, Suite 1000 Denver, CO 80202 Attn: Craig Reid, President

PetroCap Catamount LLC 3333 Lee Parkway, Suite 750 Dallas, TX 75219 Attn: Lane Britain, Managing Director

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#### CERTIFICATE OF MAILING

I, Elizabeth Y. Spencer, hereby certify that I am an attorney for BP America Production Company and that on or before June 19, 2018, I shall have caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on <a href="Exhibit A">Exhibit A</a>, attached hereto.

Dated: June 19, 2018

Elizabeth Y. Spencer