

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

IN THE MATTER OF THE APPLICATION OF)	
PETRO-CANADA RESOURCES (USA) INC. FOR)	
AN ORDER POOLING THE NON-CONSENTING)	CAUSE NO. 407
UNLEASED INTERESTS IN THE CODELL AND)	
NIOBRARA FORMATIONS LOCATED IN A)	DOCKET NO. _____
PORTION OF THE WATTENBERG FIELD, WELD)	
COUNTY, COLORADO)	

APPLICATION

COMES NOW Petro-Canada Resources (USA), Inc., a Colorado corporation, as Applicant, and respectfully submits this application to the Oil and Gas Conservation Commission of the State of Colorado. In support thereof, Applicant states as follows:

1. That the Applicant is duly authorized to conduct business in the State of Colorado.

2. That the Applicant is the owner of certain leasehold and working interests in the following described lands located in Weld County, Colorado, to wit:

Township 6 North, Range 66 West, 6th P.M.
Section 18: E/2SW/4

3. That the above-described lands have been included within the Wattenberg Field spaced area in Cause No. 407, calling for 80-acre drilling and spacing units for the production of gas and associated hydrocarbons from the Codell and Niobrara Formations which initial order the Commission has amended on numerous occasions but which provides for spacing on the basis of 80 acres with optional rights to drill infill wells within the Application area.

4. That the Applicant proposes to drill two wells, the Dunbar 18-31 and Dunbar 18-34 at legal locations as set forth in Rule 318A in the E/2SW/4 of Section 18 to the Codell and Niobrara Formations in the drilling and spacing unit described in paragraph 2 above. Although Applicant holds the significant leasehold interest in these lands, there is a separate unleased mineral interest within the drilling and spacing unit which is held by the party set forth on Exhibit A.

5. That said party listed on Exhibit A has been offered the option to participate in the drilling of said well, but has to date refused to participate by granting a lease or by bearing its proportionate share of the costs and risks of drilling and operating the wells. Upon refusal to execute an oil and gas lease, Authority for Expenditures ("AFE's") for the wells were sent by Applicant by federal express to such party on March 1, 2005, but to date the party has refused to participate. Prior to the hearing on this matter, more than thirty (30) days will have elapsed since receipt of such AFE's. (See Exhibit B for copies of letters and attached AFE's.)

6. That in order to prevent waste, protect correlative rights and in the best interest of conservation, the non-consenting unleased interests set forth on Exhibit A should be pooled in the Codell and Niobrara Formations in accordance with Section 34-60-116, C.R.S. and Rule 530 of this Commission.

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 the unleased mineral interests located on Exhibit A who refuse to lease or participate in the drilling of the proposed wells in the Codell and Niobrara Formations within the above-described drilling and spacing unit be pooled, that such owners be treated as non-consenting owners under the referenced statute; and

B. For such other further relief as this Commission deems just and proper.

DATED this 7th day of March, 2005.

Respectfully submitted,

Dorsey & Whitney, LLP

By: _____
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Applicant's Address:

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1099 18th Street
Denver, Colorado 80202-1904

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

Cynthia Danner Weide, of lawful age, being first duly sworn upon oath, deposes and says that I am the Senior Landman for Petro-Canada Resources (USA) Inc. and that I have read the foregoing Application and that the matters therein contained are true to the best of my knowledge, information and belief.

CYNTHIA DANNER WEIDE

Subscribed and sworn to before this ____ day of March, 2005.

Witness my hand and official seal.
My commission expires:

Notary Public

EXHIBIT A

IN THE MATTER OF THE APPLICATION OF)
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AN ORDER POOLING THE NON-CONSENTING)
UNLEASED INTERESTS IN THE CODELL AND)
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PORTION OF THE WATTENBERG FIELD, WELD)
COUNTY, COLORADO)

CAUSE NO. 407

DOCKET NO. _____

Township 6 North, Range 66 West, 6th P.M.
Section 18: E/2SW/4

<u>Non-Participating Owners:</u>	<u>Unleased Interest</u>
King Farms, LLC	<u>within Spacing Unit</u>
33430 Weld County Road 25	
Greeley, Colorado 80631	12.5%