

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

IN THE MATTER OF THE APPLICATION OF BP )	
AMERICA PRODUCTION COMPANY FOR AN )	Cause No. 112
ORDER POOLING ALL NONCONSENTING )	
INTERESTS IN THE FRUITLAND COAL )	Docket No. _____
FORMATION IN AN ESTABLISHED 320-ACRE )	
DRILLING AND SPACING UNIT LOCATED IN )	
THE IGNACIO BLANCO FIELD, LA PLATA )	
COUNTY, COLORADO )	

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 E/2 of Section 30, Township 34 North, Range 7 West, 6<sup>th</sup> P.M., Weld 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 leasehold interests in the unit requested for pooling.
- 3. That pursuant to COGCC Orders originally established in Cause No. 112, specifically Order Nos. 112-6, 112-46, 112-60 and 112-157, there are established 320-acre drilling and spacing units for the production of gas from the Fruitland-Pictured Cliffs and Mesaverde formations, including the following described lands at issue in this Application.

Township 34 North, Range 7 West, 6<sup>th</sup> P.M.  
Section 30: E ½

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 wells within the 320-acre drilling and spacing unit described in paragraph 3 above as follows: James GU A No. 3 Well, with surface location at 244.2’ FNL and 817.6’ FEL with a bottomhole located at 784’ FNL and 1898’ FEL of Section 30 and the James GU A No. 1 Well, with a surface location at 230.8’ FNL and 727.8’ FEL with a bottomhole located at 1846’ FNL and 740 FEL, as reflected on the approved APDs attached hereto as Exhibit B.

- 5. That some of the parties listed on Exhibit A hereto own separate leased mineral interests in the E/2 of Section 30 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 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 C.

6. Moreover, that with respect to any non-consenting owners of unleased mineral interests listed on Exhibit A, Applicant has made reasonable attempts pursuant to COGCC Rule 530.b. to enter into leases with such parties but has as of yet been unsuccessful in such attempts.

7. 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.

8. 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 and all unleased mineral interests owners who refuse to execute a lease as described in paragraphs 4 and 5 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 5<sup>th</sup> day of July, 2007.

Respectfully submitted,

BP AMERICA PRODUCTION COMPANY

By:

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

Applicants' Address:

1660 Lincoln St Suite 3000  
Denver CO 80202

## VERIFICATION

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

James W. Hawkins of lawful age, being first duly sworn upon oath, deposes and says that he is the Regulatory Consultant for San Juan for BP America Production Company and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

James W. Hawkins

Subscribed and sworn to before this 5<sup>th</sup> day of July, 2007.

Witness my hand and official seal.

My commission expires:

Notary Public

[SEAL]

**EXHIBIT A**

**Consenting Owners**

Anderson, Clay/Chloe J.  
3518 Eminence  
St. Louis, MO 63114-4255

Dayhuff, Donald E./Gloria J.  
2148 Pinon Drive  
Erie, CO 80516-7956

Chandler, Patricia McDonald Trust  
4550 Cherry Creek South Dr #1600  
Denver, CO 80246

Chandler, Collis P. III  
475 17thStreet, Suite #1210  
Denver, CO 80202

Ridl, Scott R.  
6061 Russell Lane  
Golden, CO 80403

Rawhide, LLC  
2215 S. Field Way  
Lakewood, CO 80227

UMC Petroleum Corp  
PO Box 4600  
Houston, TX 77210-4600

Life Royalties, Inc.  
306 West 7th St #504  
Ft. Worth, TX 76102-4905

JDH Resources LLC  
9998 E. Hawaii Place  
Denver, CO 80247

Catamount Royalty Partners, Ltd  
PO Box 22084  
Denver, CO 80222

McDaniels, John T. estate (Ann)  
15083 S. Elk Creek Road  
Pine, CO 80470-9203

Robinson, Louise M. Trust  
Route 1, Box 61 C  
Hugoton, KS 67951

Martin, Helen I., life estate  
C/O Skeeter Payson 545 6th Street  
Penrose, CO 81240-9310

Young, Tommy D./Darlene L.  
PO Box 1194  
Woodard, OK 73802-1194

Legill, Mae Louise (fka Dunn)  
1021 N. Oak Drive  
Bayfield, CO 81122-9793

Dunn, Kenith Wayne/Ronald King  
2927 Ronda Lee Road  
Grand Junction, CO 81503-2341

DUNN ETAL (Hite, Florence D., dec)

Ainsworth, Lucy Elizabeth  
8309 Shawnee Place SE  
Albuquerque, NM 87108-4278

James, Janice E./Merl L.  
PO Box 318  
Bayfield, CO 81122

Morrison Consolidated Ditch Co.

**Non Consenting Owners**

Cugnini Land and Cattle Co.  
677 E 3rd Avenue  
Durango, CO 81301-5201

Montoya Sheep & Cattle Co.  
1592 Highway 170  
La Plata, NM 87418

Reinhart, Daven F./Janet S.  
1621 CR 316  
Ignacio, CO 81137

Casillas, Tamara  
2830 E. Cullumber Ct.  
Gilbert, AZ 85234

Casilla, Arthur T.  
1384 N. Alexis Drive  
Higley, AZ 85236

