

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

IN THE MATTER OF THE APPLICATION OF)	
BLACK DIAMOND MINERAL, LLC FOR AN)	
ORDER ESTABLISHING WELL LOCATION)	
AND SETBACK RULES FOR THE DRILLING)	Cause No.
OF WILLIAMS FORK FORMATION WELLS OR)	
CERTAIN DESCRIBED LANDS IN GARFIELD)	Docket No.
COUNTY, COLORADO)	

APPLICATION

Black Diamond Minerals, LLC (“Applicant”), a Delaware limited liability company, by and through its attorneys, Beatty & Wozniak, P.C., and makes an Application to the Oil and Gas Conservation Commission of the State of Colorado (the “Commission”) for an order establishing well location and setback rules applicable to the drilling and producing of wells from the Williams Fork Formation of the Mesaverde Group underlying certain described lands in Garfield County, Colorado and in support of its Application states and alleges as follows:

- 1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado.
- 2. Applicant owns oil and gas leasehold interests covering all or a portion of the following described lands (the “Application Lands”):

Parcel A:
Mt. Mamm No. 1
Mt. Mamm No. 2
Mt. Mamm No. 3
Mt. Mamm No. 4
Mt. Mamm No. 5
Mt. Mamm No. 6
Mt. Mamm No. 8
Mt. Mamm No. 9
As described in United States Patent No. 1051431 recorded December 16, 1931 in Book 168 at Page 254 as Reception No. 111666 of the Garfield County Records.

Parcel B:
Mt. Mamm No. 10
Mt. Mamm No. 11
As described in United States Patent No. 1051425 recorded December 16, 1931 in Book 168 at Page 255 as Reception No. 111667 of the Garfield County Records.

Parcel C:
Mt. Mamm No. 12
Mt. Mamm No. 13
Mt. Mamm No. 14
Mt. Mamm No. 15
As described in United States Patent No. 1119490 recorded May 21, 1945 in Book 209 at Page 447 as Reception No. 154101 of the Garfield County Records.

NOTE: Parcel A above is now known as:
Tract 42 in Sections 5, 6, 7 and 8, Township 8 South, Range 93 West of the Sixth Principal Meridian, Garfield County, Colorado, and Tract 65 in Section 30 and 31, Township 7 South, Range 93 West of the Sixth Principal Meridian, Garfield County, Colorado, according to the re-survey thereof.

- 3. The Application Lands are unspaced as to the Mesaverde Group and subject to the Commission’s Rule 318 (formerly Rule 316).

4. Multiple wells have been drilled, tested and completed in the Williams Fork Formation of the Mesaverde Group upon lands in proximity to the Application Lands.

5. The Commission should allow William Fork wells to be drilled upon a ten (10) acre density basis with each such well to be located downhole provided no such well shall be located downhole any closer than 100 feet from the outside boundary of the Application Lands unless such boundary abuts or corners lands in respect of which the Commission has not at the time of the drilling permit application granted the right to drill ten (10) acre density Williams Fork wells in which event the Williams Fork wells to be drilled upon the Application Lands shall be drilled downhole no closer than 200 feet from that portion of the boundary which so abuts or corners the lands in respect of which ten (10) acre density downhole drilling for Williams Fork wells has not been ordered by the Commission.

6. That, except as previously authorized by order of the Commission, wells to be drilled under this Application will be drilled from the surface either vertically or directionally from the equivalent of no more than one pad located on a given quarter quarter section unless exception is granted by the Commission pursuant to application made for such exception.

7. The granting of this Application will not promote waste; will not violate correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoir.

8. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof, and the undersigned certifies that copies of this Application shall be served on each interested party within the next seven days as required by Rule 503.d.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in March 2008, that notice be given as required by law and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

DATED: February ____, 2008.

Respectfully submitted,

BLACK DIAMOND MINERALS, LLC

By: _____
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Michael J. Wozniak
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VERIFICATION

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

Ward Giltner, Chief Financial Officer of Black Diamond Minerals, LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

BLACK DIAMOND MINERALS, LLC

By: _____
Ward Giltner, Chief Financial Officer

Subscribed and sworn to before me this _____ day of _____, 2008, by Ward Giltner, Chief
Financial Officer of Black Diamond Minerals, LLC

Witness my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT A

INTERESTED PARTIES

Williams Production RMT Company
Attn: Christopher M. Walsh
1515 Arapahoe St., Tower 3, Ste. 1000
Denver, CO 80202

Noble Energy, Inc.
Attn: Robin Hill-Richardson
1625 Broadway, Suite 2000
Denver, CO 80202

Laramie Energy II, LLC
Attn: Mark Petry
1512 Larimer, Ste. 1000
Denver, CO 80202

Mr. John Martin
Board of County Commissioners
Garfield County, Colorado
108 8th Street, Suite 213
Glenwood Springs, CO 81601

EnCana Oil & Gas (USA) Inc.
Attn: Mr. Rick Gallegos
370 17th Street, Suite 1700
Denver, CO 80202

Mr. and Mrs. George Bauer
12 Sunrise Blvd.
Silt, CO 81652-9783

Yates Petroleum Corporation
Attn: Kathy Porter
105 S. Fourth St.
Artesia, NM 88210

Piceance Royalty Partners, LLC
Box 36157
Denver, CO 80236

Freeman Investments
3415 S. Clayton Blvd.
Englewood, CO 80113-7611

JLW Investment , LLC
2432 W. 82nd Pl. #I
Westminster, CO 80031

Cypress Land Acquisitions, LLC
2432 W. 82nd Pl. #I
Westminster, CO 80031

Huckleberry Minerals, LLC
15230 Emporia St.
Brighton, CO 80602

Judith H. Jordan
Garfield County
144 E. 3rd Street, Suite 203
Rifle, CO 81650