

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

IN THE MATTER OF THE APPLICATION OF)
BP AMERICA PRODUCTION COMPANY FOR) Cause No. 112
AN 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 established 320-acre drilling and spacing units in the Fruitland Coal Formation consisting of the E½ of Section 9U, Township 34 North, Range 7 West, N.M.P.M., La Plata County, Colorado and E½ of Section 4U, 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 9U: E½
Section 4U: E½

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 well within the 320-acre drilling and spacing unit described in paragraph 3 above as follows: the Knight GU E #3 Well ("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 E½ of Section 9U and the E½ of Section 4U encompassed within

the drilling and spacing unit, and such parties have been offered the option to participate in the drilling of the wells 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 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 wells 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 she 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.

Craig T. Ferguson

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	ELOUISE TURNER CROSS 67 WEST 100 NORTH 16-9 BLANDING, UT 84511-3609	OIL PROPERTIES HOLDING II LLC 475 17TH ST, SUITE 1210 DENVER, CO 80202
JDH RESOURCES LIMITED LIABILITY CO 9998 E HAWAII PLACE DENVER, CO 80247	GEORGE KORTHUIS 2655 S PATTON CT DENVER, CO 80219-5715	FRONTIER LAND & EXPLORATION 8400 MENAUL BLVD NE SUITE 449 ALBUQUERQUE, NM 87112
PATRICIA MCDONALD CHANDLER TRUST 4565 EAST MEXICO AVENUE HOUSE NO 22 DENVER, CO 80222	LORRAINE BILLMAN 226 EUGENE WAY HENDERSON, NV 89015-7060	MICHELE RICCA 8025 W PRESTON LN PHOENIX, AZ 85043
MCKINNEY REVOCABLE TRUST 181 CR 3100 AZTEC, NM 87410	GLORIA J MAUNNEY 44 S ADAMS, #634 DENVER, CO 80209	KORTNEY KLINE 12910 CR 29 DOLORES, CO 81323
NANCY L UPTON LIVING TRUST 1105 TROWBRIDGE LN ROCKFORD, IL 61107-2837	SHIRLEY LUCILLE HAGLER 572 PADGETTS RD OPELIKA, AL 36801-0606	MONTE RICCA 28946 ROAD N DOLORES, CO 81323
JIMMY C & MARY ANN WRIGHT 602 SW 12TH SEMINOLE, TX 79360	RUBY L HAAKSMA c/o WANDA L RAKETICH HACIENDA HEIGHTS, CA 91745	KATHLEEN MAJKA PO BOX 38 LEWIS, CO 81327
CAROLE L MCWILLIAMS PO BOX 693 BAYFIELD, CO 81122-0693	SCOTT R RIDL 6061 RUSSELL LANE ARVADA, CO 80403	KNIGHT FAMILY TRUST PO BOX 472 BAYFIELD, CO 81122-0472
RONALD G AND SHARON K THOMPSON NO KNOWN ADDRESS DOVER, DE 19901	ROBERT L MCCOY 5607 CR 516 BAYFIELD, CO 81122	RONALD AND DOROTHY CLAFLIN REV TR 3250 ADAMS AVE CANON CITY, CO 81212-9345
HARRY A AND NINA M SMITH 4855 CR 516 BAYFIELD, CO 81122-9410	BLACK STONE NATURAL RESOURCES I LP PO BOX 201316 HOUSTON, TX 77216	J & J TRUCKING OF DURANGO, LLC 125 HOPE ROAD BAYFIELD, CO 81122
TODD A AND COLLEEN M PERRY 81 VIOLET LANE BAYFIELD, CO 81122	RAWHIDE LLC 12944 SILVER ELK LANE LITTLETON, CO 80127	RONALD G. THOMPSON AND SARAH M. THOMPSON P.O. BOX 372 BAYFIELD, CO 81122
FERN E PORTER 1170 W WABASH ST #12 TUCSON, AZ 85705	JAY E AND GRETCHEN DEHAAN HIGHLAND PO BOX 560 BAYFIELD, CO 81122	FOUR STAR OIL AND GAS PO BOX 4538 HOUSTON, TX 77210
MARTIN AND MARY MORENO 775 CO RD 300 DURANGO, CO 81301-8061	MAINARD W & ELIZABETH J HEIDEN 288 ANIMAS VIEW DR #85 DURANGO, CO 81301-8913	RED WILLOW PRODUCTION COMPANY PO BOX 369 IGNACIO, CO 81137-0369
DONALD D AND ROBIN E SNOOKS 5887 CR 516 BAYFIELD, CO 81122-9411	GARY K JAMES 1065 HARTIG DR DELTA, CO 81416	BP AMERICA PRODUCTION COMPANY 501 WESTLAKE BLVD HOUSTON, TX 77079
LIFE ROYALTIES INC 3207 W 4TH STREET FORT WORTH, TX 76107	ANTHONY W JAMES PO BOX 30658 SPARKS, NV 89435	SOUTHERN UTE INDIAN TRIBE PO BOX 369 IGNACIO, CO 81137
JOHN ALVIN JAMES 220 BRIARMEADOW VICTORIA, TX 77904-2520	TANYA L JAMES 4775 SUMMIT RIDGE DRIVE APT 1065 RENO, NV 89523	
MARTHA MONTGOMERY PO BOX 2165 BLOOMFIELD, NM 87413-2165	CALVIN R JAMES 6102 DIPLOMAT DR RENO, NV 89523	
DONALD E & GLORIA J DAYHUFF 2148 PINON DRIVE ERIE, CO 80516-7956	LIZA M BRADLEY 2355 MUELLER DR RENO, NV 89509	