

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

IN THE MATTER OF THE APPLICATION OF)
BP AMERICA PRODUCTION COMPANY FOR)
AN ORDER POOLING ALL NONCONSENTING)
INTERESTS IN THE FRUITLAND COAL)
FORMATION IN AN ESTABLISHED 320-ACRE)
DRILLING AND SPACING UNIT LOCATED IN)
THE IGNACIO BLANCO FIELD, LA PLATA)
COUNTY, COLORADO)

Cause No. 112

Docket No. _____

APPLICATION

BP America Production Company (referred to herein as "Applicant"), by and through its undersigned attorneys, hereby submits this application to the Oil and Gas Conservation Commission of the State of Colorado ("COGCC"), for an order to pool all nonconsenting interests for the drilling of a well in an established 320-acre drilling and spacing unit in the Fruitland Coal Formation consisting of the S½ of Section 21, Township 34 North, Range 9 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 and 112-60, there are established 320-acre drilling and spacing units for the production of gas from the Fruitland coal seams. 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. 112-190 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, pursuant to Commission Rule 530 and pursuant to the provisions of C.R.S. § 34-60-116 (6) and (7), seeks an order to pool all nonconsenting interest owners in a 320-acre drilling and spacing unit for the development and operation of the Fruitland Coal Formation from the following described lands:

Township 34 North, Range 9 West, N.M.P.M.
Section 21: S½

Hereinafter referred to as the "Application Lands."

5. Applicant operates the following three wells that are currently producing on the Application Lands: Groff GU A1, Groff GU A2, and the Groff GU A4.
6. Applicant has drilled the Groff GU A3 Well within the 320-acre drilling and spacing unit described in paragraph 4 above. The Groff GU A3 Well is not yet producing. A plat showing the permitted location is attached. The surface hole location of the Groff GU A3 Well is approximately 1175' FSL and 1581' FWL located in Section 21: SE¼SW¼, Township 34 North, Range 9 West, N.M.P.M. The bottomhole location is approximately 1900' FSL and 728' FWL located in Section 21, Township 34 North, Range 9 West, N.M.P.M. Applicant owns an approximate 84.1% working interest in the Groff GU A3 Well.
7. Applicant requests that the Commission's involuntary pooling order issued with respect to this Application be retroactive to the date of spudding of the Groff GU A3 Well.
8. According to the title work completed by Applicant, there are unleased mineral interests in the described unit; those interests are described on the attached Exhibit A. Applicant sent letters 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 Groff GU A3 Well, but to date such interest owners remain unleased and have chosen not to participate by bearing their proportionate shares of the costs and risks of drilling or operating the Groff GU A3 Well. 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.

9. With respect to all of the owners who have not elected to participate, 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 set forth in Exhibit A hereto and notice of this Application has been provided to those parties entitled to the same pursuant to Commission Rule 503.e.

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 interest owners listed on Exhibit A with whom Applicant has been unable to secure an agreement for the drilling of the proposed Groff GU A3 Well as described above be pooled involuntarily, and that such owners be treated as nonconsenting owners under C.R.S. §34-60-116 and made subject to the terms and penalties provided for therein.

B. That the COGCC involuntary pooling order issued will be retroactive to the date of spudding of the Groff GU A3 Well.

C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this ____ day of June, 2010.

Respectfully submitted,

BP AMERICA PRODUCTION COMPANY

By: _____
William A. Keefe
Jamie L. Jost
BEATTY & WOZNIAK, P.C.
216 16th Street, Suite 1100
Denver, CO 80202
(303) 407-4499

Applicants' Address:

501 Westlake Park Blvd.
Houston, TX 77079

Exhibit "A"
Interested Parties

NONCONSENTING:

INTEREST TYPE	OWNER NAME
UNLEASED MIO	L F WEYAND C/O RICHARD POST 10585W W. SOUTH RD. HAYWARD, WI 54843
UNLEASED MIO	J G ORDWAY 10 DELLWOOD AVE DELLWOOD, MN 55110
UNLEASED MIO	C B SAMPAIR 671 WOODRIDGE DR MENDOTA HEIGHTS, MN 55118
UNLEASED MIO	BARBARA A DYE P.O. BOX 5044 FARMINGTON, NM 87499
UNLEASED MIO	DOUGLAS CAMERON MCLEOD C/O CHARLES W. GOODIN, PETROGULF CORP. 518 17TH ST., SUITE 1525 DENVER, CO 80202
UNLEASED MIO	JANET BUETOW SMITH 1819 HUNTER LANE MENDOTA HEIGHTS, MN 55118
UNLEASED MIO	KATHERINE L BORDEN 22271 LARKSPUR TRAIL BOCA RATON, FL 33433
RI	ACOMA OIL CORPORATION 408 ST PETER STREET SUITE 434 ST PAUL, MN 55102-1119
RI	MARTHA N WALKER 1005 BALSAM DR DURANGO, CO 81301-4469
RI	WESTMEATH CORP PO BOX 711 FARMINGTON, NM 87499-0711
RI	ERIC J GOHL 111 SOUTH CHANTSONG CIRCLE THE WOODLANDS, TX 77382
RI	YVONNE J JOHNSON , TRUST 3100 OAK RD STE 300 WALNUT CREEK, CA 94597
RI	DONA LISA JOHNSON TRUST ATTN KEN ROSEN WALNUT CREEK, CA 94597
RI	SIMON LAND AND CATTLE COMPANY 2292 CR 301 DURANGO, CO 81301-8042
RI	ELIZABETH A CRAIG 4431 MONROE RD CHARLOTTE, NC 28205-7713
RI	E B HAMILTON JR TRUSTEE UNDER 274 VALLE VISTA WAY DURANGO, CO 81301
RI	MARGARET A KAMMER TRUST & CHARLES S BELLOWS TRUSTEES MINNEAPOLIS, MN 55480-0055
RI	JAMES M BINGER 31856 BUFFALO BRIDGE RD BIG ARM, MT 59910
RI	CROFF OIL CO 3773 CHERRY CREEK DRIVE NORTH #1025 DENVER, CO 80209
RI	ERNEST A AND PERYL L SCHAAF 840 - SIXTH ST DURANGO, CO 81301-5502
RI	PETROGULF CORPORATION 518 17TH STREET STE 1525 DENVER, CO 80202

INTEREST TYPE	OWNER NAME
RI	GASCONADE OIL CO 410 17TH ST STE #1180 DENVER, CO 80202
RI	HOWARD W AND KAREN M WILLE PO BOX 215 NORTHVILLE, MI 48167-0215
RI	BARBARA JANE GROFF 2267 JAMES ST MONTROSE, CO 81401-5275
RI	ANNE C S FINNEY REV TRST PO BOX 2471 DURANGO, CO 81301
RI	MERIL P AND ANN CRAIG 7741 TERRANCE LN AUMSVILLE, OR 97325
RI	KYLE AND LYNN R GRAFF 1162 CR 302 DURANGO, CO 81303
RI	ANDREW D CRAIG 1754 W 2ND AVE DURANGO, CO 81301
RI	NANCY P DOMINICK RVCBLE TRUST PO BOX 1588 TULSA, OK 74101
RI	HOWARD M AND VI THI CRAIG 1761 CR 302 DURANGO, CO 81301
RI	FIRST TRAX LLC PO BOX 2471 DURANGO, CO 81302
RI	KENNETH A CRAIG 1162 CR 302 DURANGO, CO 81303
RI	SHIRLEY CRAIG PO BOX 2744 EDGARTOWN, MA 02539
RI	JOY KYZER 1257 CR 334 RAINBOW, TX 76077
RI	ALL SAINTS ANGLICAN CHURCH PO BOX 131 DURANGO, CO 81302
RI	BETTY LANIER FANKHAUSER PO BOX 1600 SAN ANTONIO, TX 78296
RI	KENDALL LANIER SWINFORD PO BOX 1600 SAN ANTONIO, TX 78296
RI	WILLIAM STEELE SWINFORD JR PO BOX 1600 SAN ANTONIO, TX 78296

CONSENTING:

INTEREST TYPE	OWNER NAME
WI	SOUTHERN UTE INDIAN TRIBE PO BOX 369 IGNACIO, CO 81137

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AFFIDAVIT OF MAILING

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

Jamie L. Jost of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for BP America Production Company, that on or before June __, 2010, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Jamie L. Jost

Subscribed and sworn to before me June __, 2010.

Witness my hand and official seal.

My commission expires: _____.

Notary Public