

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

IN THE MATTER OF THE APPLICATION OF
BAYHORSE PETROLEUM, LLC FOR AN ORDER
MODIFYING A SPACING AND WELL LOCATION
RULES ORDER FOR THE MARMATON FORMATION
FOR CERTAIN DESCRIBED LANDS IN THE LEFT
HAND FIELD (ABD) AREA, KIOWA COUNTY,
COLORADO

CAUSE NO. 252

DOCKET NO.

Application for Modification of Order

COMES NOW Bayhorse Petroleum, LLC ("Applicant"), a Utah limited liability company, by its attorneys, Beatty & Wozniak, P.C., and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order modifying a September 24, 2009 order of the Commission that established ten (10) new eighty (80) acre drilling and spacing units and establishing well location rules applicable to the drilling and producing of wells from the Marmaton Formation covering certain described lands in the Left Hand Field Area, Kiowa 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 a majority of leasehold interests in the following described lands:

Township 18 South, Range 47 West, 6th P.M.

Section 27: N $\frac{1}{2}$ SW $\frac{1}{4}$

S $\frac{1}{2}$ SW $\frac{1}{4}$

Section 28: N $\frac{1}{2}$ NW $\frac{1}{4}$

S $\frac{1}{2}$ NW $\frac{1}{4}$

W $\frac{1}{2}$ NE $\frac{1}{4}$

E $\frac{1}{2}$ NE $\frac{1}{4}$

N $\frac{1}{2}$ SE $\frac{1}{4}$

S $\frac{1}{2}$ SE $\frac{1}{4}$

Section 34: N $\frac{1}{2}$ NW $\frac{1}{4}$

S $\frac{1}{2}$ NW $\frac{1}{4}$

Kiowa County, Colorado

("Application Lands")

3. On or about August 3, 2009, Applicant filed a request for an order establishing approximate 80-acre drilling and spacing units and establishing well location rules for said units on the Application Lands.

4. No protests were submitted on the application and on September 24, 2009, the Commission approved Applicant's request as part of the consent agenda. The Commission issued Order Number 252-6 which granted the relief requested by Applicant.

5. Applicant is now requesting and order modifying the Commission Order relating to the setbacks from the unit boundaries.

6. In the application, paragraph 5 stated the following:

That as to all future Marmaton Formation wells to be drilled upon the Application Lands within each drilling and spacing unit, the well should be located downhole anywhere in the drilling and spacing unit but no closer than 600 feet from the boundaries of the unit without exception being granted by the Director of the Oil and Gas Conservation Commission. It is provided however that in cases where the Application Lands abut or corner lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill 80-acre density Marmaton Formation wells, the well should be located downhole no closer than 1120 feet from the boundary or boundaries of the drilling unit so abutting or cornering such lands without exception being granted by the Director of the Oil and Gas Conservation Commission.

7. The Commission's Order No. 252-6, granted Applicant's Requested relief, in particular, the order contained the language quoted in Paragraph 6 above.

8. The application contained an error in that the 600 foot setbacks were intended to apply to the exterior boundary of the units as well as the interior boundaries. Due to the size and configuration of the drilling and spacing units, applying the 1120 foot setback will require Applicant to request exception locations for over half of its proposed locations on this project.

9. Modifying the order will prevent waste, avoid the drilling of unnecessary wells and protect the correlative rights of adjacent mineral owners.

10. The name and last-known address of the interested parties are set forth in Exhibit A, and the undersigned certifies that copies of this Application will be served on all interested parties within seven (7) days of the date hereof, as required by COGCC Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in March, 2010, 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 __, 2010.

BEATTY & WOZNIAK, P.C.

By: _____

Andrew A. Bremner
216 16th Street, Suite 1100
Denver, CO 80202
303-407-4499
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ATTORNEYS FOR BAYHORSE PETROLEUM, LLC

Address of Applicant:

2558 Portsmouth Ave.
Salt Lake City, Utah 84121

VERIFICATION

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

Rod Vaughn of lawful age, being first duly sworn upon oath, deposes and says that he is a Geologist for Bayhorse Petroleum, LLC 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.

By: _____
Rod Vaughn

Subscribed and sworn to before me this _____ day of February, 2010.

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A

Marty L. & Betsy A. Barnett
PO Box 216
1104 Luther
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Leonard M. Davis
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Dillon, MT 59725

T. T. Teal & Mina Loy Teal, trustees of the
T. T. Teal and Mina Loy Teal Living Trust
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trustee of the Nigh Revocable Trust
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J. Ewing Walker Investment Company, L.L.C.
J. Ewing Walker, Jr., Manager
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Wells Fargo Trust OGM Regional Office
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Shelly D. Bunnell Trust
c/o Shannon Eckols, Trust Asset Manager
Wells Fargo Trust OGM Regional Office
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Mildred D. Richard Estate
c/o Nancy Richard Greer, Executor
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Oklahoma City, OK 73112-7320

Jones-Daube Mineral Company
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Duncan, OK 73534-1169

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Canyon, TX 79015

Van Edward Dryden
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Amarillo, TX 79109-2652

Michael Victor & Dorothy R. McRee
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Lake City, FL 32055-4853

Curtis Kirby Trust
c/o Tony Lilley
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Colorado Division of Wildlife
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Colorado Department of Public Health
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4300 Cherry Creek Drive South
Denver, CO 80246-1530

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AFFIDAVIT OF MAILING

Andrew A. Bremner, of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for Bayhorse Petroleum, LLC, that on or before February ____, 2010, he caused a copy of the attached Application in the subject docket to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

By: _____

Andrew A. Bremner

Subscribed and sworn to before me this ____ day of February, 2010.

Witness my hand and official seal.

My commission expires:

Notary Public