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 ALLOWING ONE (1) ADDITIONAL)	Cause No. 252
WELL IN AN 80-ACRE DRILLING AND)	
SPACING UNIT FOR THE MARMATON)	Docket No.
FORMATION IN THE S1/2SW1/4 OF)	
SECTION 21, TOWNSHIP 18 SOUTH,)	
RANGE 47 WEST IN KIOWA COUNTY,	•	
COLORADO		

APPLICATION

Bayhorse Petroleum, LLC ("Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to permit one (1) additional well (for a total of two (2) wells) in an established 80-acre drilling and spacing unit for the Marmaton Formation in the following lands:

Township 18 South, Range 47 West, 6th P.M. Section 21: S1/2SW1/4

Kiowa County, Colorado (hereinafter, the "Infill Application Lands"). A map showing the Infill Application Lands is attached.

In support of its Application, Applicant 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 substantial portion of the leasehold interests on the Infill Application Lands.
- 3. Commission Order No. 252-8 established 80-acre drilling and spacing units for the Infill Application lands and allows for the drilling and completion of one (1) well in each established 80-acre drilling and spacing unit. Order No. 252-8 further allows each proposed well to be drilled in the designated drilling and spacing unit no closer than 600' from the boundaries of the drilling and spacing unit.
- 4. For purposes of this Application, Applicant requests that an additional one (1) infill well be allowed for production from the Marmaton Formation covering the Infill Application Lands for a total of two (2) wells in the Infill Application Lands. Applicant states that the infill well shall be drilled in the designated 80-acre drilling and spacing unit no closer than 600' from the boundaries of the drilling and spacing unit.

- Applicant asserts that one (1) well will not efficiently and economically drain the applicable 80-acre drilling and spacing unit on the Infill Application Lands and that one (1) additional infill well on the Infill Application Lands is necessary to prevent waste, protect correlative rights and to assure the greatest recovery of gas and associated hydrocarbons from the Marmaton formation in accordance with the Colorado statutes and the Commission rules.
- 6. Applicant asserts the one (1) additional infill well can be developed in a manner consistent with protection of public health, safety and welfare.
- 7. 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.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing this Commission enter its order:

- Establishing that one (1) additional infill well (for a total of two (2) authorized Marmaton wells) may be completed in the applicable 80-acre drilling and spacing unit for gas and associated hydrocarbons from the Marmaton Formation underlying the Infill Application Lands.
- Establishing that the infill well shall be drilled in a designated 80-acre drilling and spacing unit no closer than 600' from the outer boundaries of the drilling and spacing unit with no interwell setback required.
- For such other findings and orders as the Commission may deem proper or advisable in the premises.

Dated this day of June, 2012.

Respectfully submitted:

BAYHORSE PETROLEUM, LLC

By:

Jamie L. Jost

Matthew J. Lepore

Beatty & Wozniak, P.C.

216 Sixteenth St. -Suite 1100

Denver, Colorado 80202

Telephone No.: (303) 407-4499

Applicant's Address:

Bayhorse Petroleum, LLC ATTN: Larry F. Manikowski 2558 E. Portsmouth Avenue Salt Lake City, UT 84121

VERIFICATION

STATE OF UTAH	4)	
CITY AND COUNTY OF SALT LAKE)	SS.
Larry Manikowski of lawfu says that he is a Vice President & CFO/CC the foregoing Application and that the mat knowledge, information and belief.	OO for E	Bayhorse Pe	
	By:	Larry F. M.	z Z. <u>Mambrushi</u> anikowski
Subscribed and sworn to before me this	20 (day of June,	2012.
Witness my hand and official seal.			,
My commission expires: 3/14/15		- <u>Il</u>	AXI
Western to the statement	,	Notary P	ublic

ZACHARY A MITCHELL
Notary Public
State of Utah
Comm. No. 607553
My Comm. Expires Mar 14, 2015

EXHIBIT A Interested Parties

Kim Kaal Energy Liaison - DOW 711 Independent Avenue Grand Junction, CO 81505

Kent Kuster
Colorado Department of Public Health and
Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

Debra C. Lening Kiowa County 1305 Goff St. P.O. Box 37 Eads, CO 81306 Marty L. & Betsy A. Barnett PO Box 216 1104 Luther Eads, CO 81036-0216

Leonard M. Davis 1505 Flynn Lane Dillon, MT 59725

Mina Loy Teal, trustee of the T. T. Teal and Mina Loy Teal Living Trust PO Box 1015 Clarksville, AR 72830

Helen M. Koch 3039 B 1/2 Road Grand Junction, CO 81503

Stephen C. & Emily D. Hudkins 105 Legend Hills Blvd. Llano, TX 78643

Glenn Lee & Phyllis G. Hunter 7730 Sea Crest Way N. Noblesville, IN 46062-9098

Brett D. Nigh trustee of the Nigh Revocable Trust 701 Countrywood Ct. Noblesville, IN 46060

J. Ewing Walker Investment Company, L.L.C. J. Ewing Walker, Jr., Manager 3916 Woodhead Street Houston, TX 77098-2816 Merco of Oklahoma, Inc. Ross M. Coe, Vice President PO Box 18607 Oklahoma City, OK 73154

Vicki McCurry Cameron 1671 FM 3288 E. Jacksonville, TX 75766

Patti McCurry Stepp (Patricia Louise) PO Box 755 362 County Rd #3792 Cleveland, TX 77328

Julia McCurry 205 Turner Ave. #B105 Shelton, WA 98584

Janna Elizabeth McCurry & Clell Wayne Bailey 8457 Graystone Loop NW Silverdale, WA 98383

Laura D. Sanders & Gary F. Moore 119 Kani Lane Bastrop, TX 78602

Charles Earl & Linda Sweatt 1512 Cimarron Avenue Odessa, TX 79761

Eloise Kathleen McRee Buck 900 Westway St. Denton, TX 76201

Mary Sweatt Degan 2799 Scarlet Road Germantown, TN 38139

Sandy S. & Ronald W. Selph 10407 N. 47th Drive Glendale, AZ 85302

FOG, LLC PO Box 18188 3024 Middlesex Dr. Oklahoma City, OK 73154

Philip C. & Joanna B. Neilson 500 Hardy Drive Edmond, OK 73013-5103 Mark & Julia McCurry PO Box 111 503 NW H Street Stigler, OK 74462

Walker B. Comegys, Jr. Family LLC 1401 Holliday Street, Suite 316 Wichita Falls, TX 76301-7145

Troy L. & Barbara Davis c/o Rafter T Ranch LLC 26351 N Hwy 281 Stephenville, TX 76401

Randy T. Wright aka Randy T. Andrews 4 Harbor Road Dayton, NV 89403

Frank W. Bunnell Trust c/o Shannon Eckols, Trust Asset Manager Wells Fargo Trust OGM Regional Office 750 E. Mulberry, Suite 402 San Antonio, TX 78212

Brockton M. Bunnell Trust c/o Shannon Eckols, Trust Asset Manager Wells Fargo Trust OGM Regional Office 750 E. Mulberry, Suite 402 San Antonio, TX 78212

Shelly D. Bunnell Trust c/o Shannon Eckols, Trust Asset Manager Wells Fargo Trust OGM Regional Office 750 E. Mulberry, Suite 402 San Antonio, TX 78212

Mildred D. Richard Estate c/o Nancy Richard Greer, Executor 5813 N. Barnes Ave. Oklahoma City, OK 73112-7320

Jones-Daube Mineral Company c/o Patti Wilcox PO Box 1169 Duncan, OK 73534-1169

Gary Mac & Loretta K. Dryden 1600 Elver Road Canyon, TX 79015

Van Edward Dryden 2116 S Polk St Amarillo, TX 79109-2652 Michael Victor & Dorothy R. McRee 263 NW Colquitt Way Lake City, FL 32055-4853

Curtis C. Kirby Trust Antoinette Lilley, Successor Trustee 1405 E. Elm Republic, MO 65738

C. Stanley & Debbie Kirby 9052 N Kirby Lane Fair Grove, MO 65648

John H. Davisson et al Dianne Davisson 315 3rd Street, Suite D Huntington Beach, CA 92648

William F. Wilcox 12550 County Road 46 Eads, CO 81036-9669

Dollies & Elaine Gingery c/o Nelson, Inc. PO Box 1945 Ardmore, OK 73402

Jerry Jim Gingery & Judith Ann Little c/o Nelson, Inc. PO Box 1945 Ardmore, OK 73402

Kathryn & Leslie Rutgers 401 County Road W #10 Eads, CO 81036-9650

Elizabeth & John B. Young PO Box 281 Wiley, CO 81092

Linda Apple 2204 W. 30th Street South Wichita, KS 67217-2010

L. Darlene Jones 19710 Nottingham Drive Downs, IL 61736

Madonna Hawks c/o Yvonne M. Martin 1790 Diamond Hitch Drive Jackson, WY 83001 Yvonne M. Martin 1790 Diamond Hitch Drive Jackson, WY 83001

Darrell L. & Phyllis R. Koch PO Box 436 Eads, CO 81036-0436 James W. Wimzeler 10718 Olympia Drive Houston, TX 77042-2252

Judith Ann Little PO Box 1588 Ardmore, OK 73402

SCALE 1:46,692

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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 ALLOWING ONE (1) ADDITIONAL) Cause No. 252 WELL IN AN 80-ACRE DRILLING AND) SPACING UNIT FOR THE MARMATON) Docket No FORMATION IN THE S1/2SW1/4 OF) SECTION 21, TOWNSHIP 18 SOUTH,) RANGE 47 WEST IN KIOWA COUNTY, COLORADO						
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 an attorney for Bayhorse Petroleum, LLC, that on or before June, 2012, she 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: Jamie L. Jost						
My commission expires Nova of 18 18 18 18 18 18 18 18 18 18 18 18 18						