

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 TO VACATE ONE (1) EXISTING 80	)	Cause No. 252
ACRE DRILLING AND SPACING UNIT AND	)	
ESTABLISH TWO (2) FORTY ACRE	)	Docket No. _____
DRILLING AND SPACING UNITS FOR THE	)	
DEVELOPMENT OF THE MARMATON	)	
FORMATION UNDERLYING CERTAIN	)	
LANDS IN THE LEFT HAND FIELD, 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 vacate one (1) 80 acre drilling and spacing unit established by Commission Order No. 252-8 for the Marmaton Formation and in lieu thereof establish two (2) 40 acre drilling and spacing units. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a limited liability company authorized to conduct business in the State of Colorado.

2. Applicant owns leasehold interests in Kiowa County, Colorado, specifically within the area requested to vacate the existing one (1) 80 acre drilling and spacing unit and to establish two (2) 40 acre drilling and spacing units for the lands described below located in Left Hand Field:

Township 18 South, Range 47 West, 6<sup>th</sup> P.M.  
Section 21: N $\frac{1}{2}$ SW $\frac{1}{4}$

These lands are hereinafter referred to as the "Application Lands." A reference map is attached hereto.

3. On March 25, 2010, the Commission issued Order No. 252-8 which established, among other things, an approximate 80 acre drilling and spacing unit for the production of oil and associated hydrocarbons from the Marmaton Formation underlying the Application Lands. It further established that the one (1) permitted well located within the drilling and spacing unit shall be located downhole anywhere in the drilling and spacing unit but no closer than 600' from the boundaries of the unit without exception being granted by the Director of the Commission. Order No. 252-8 also established that no more than one well pad shall be located on a given quarter-quarter section unless an exception is granted by the Director of the Commission.

4. Based on geologic and engineering reasons, Application requests that the Commission vacate the existing 80 acre drilling and spacing unit on the Application Lands, as described in Paragraph 2 above, and establish two (2) 40 acre drilling and spacing units in the Application Lands comprised of the following lands:

Township 18 South, Range 47 West, 6<sup>th</sup> P.M.  
Section 21: NW $\frac{1}{4}$ SW $\frac{1}{4}$   
NE $\frac{1}{4}$ SW $\frac{1}{4}$

5. Applicant has not drilled or completed any producing vertical wells on the existing 80 acre drilling and spacing unit on the Application Lands as of the date this Application is filed and, consequently, allocation of proceeds within the existing 80 acre drilling and spacing unit shall not be adversely affected.

6. Applicant asserts the establishment of two (2) forty acre drilling and spacing units on the Application Lands is in the best interests of conservation, including accurate production accounting and efficient operation of the wells, 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.

7. 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.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:

A. Vacating the existing 80 acre drilling and spacing unit on the Application Lands, as described in Paragraph 2 above, in the Left Hand Field and establishing two (2) 40 acre drilling and spacing units in the Application Lands comprised of the following lands:

Township 18 South, Range 47 West, 6<sup>th</sup> P.M.  
Section 21: NW $\frac{1}{4}$ SW $\frac{1}{4}$   
NE $\frac{1}{4}$ SW $\frac{1}{4}$

B. Confirming that the vacation of the existing 80-acre drilling and spacing unit for the Application Lands shall not adversely affect the allocation of proceeds within the drilling and spacing unit.

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

Dated this 20<sup>th</sup> day of June, 2012.

Respectfully submitted:

BAYHORSE PETROLEUM, LLC

By: Jamie L. Jost

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

CITY AND COUNTY OF SALT LAKE

)  
) ss.  
)

Larry Manikowski of lawful age, being first duly sworn upon oath, deposes and says that he is a Vice President & CFO/COO 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.

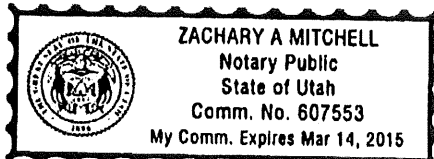
By: Larry F. Manikowski  
Larry F. Manikowski

Subscribed and sworn to before me this 20 day of June, 2012.

Witness my hand and official seal.

My commission expires: 3/14/15

Zachary A. Mitchell  
Notary Public



**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  
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Ardmore, OK 73402

Jerry Jim Gingery & Judith Ann Little  
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Ardmore, OK 73402

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401 County Road W #10  
Eads, CO 81036-9650

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

Linda Apple  
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Wichita, KS 67217-2010

L. Darlene Jones  
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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

# LOCATION MAP

T18S - R47W  
KIOWA COUNTY

KIRBY 1



EXISTING 80-ACRE DRILLING AND  
SPACING UNITS

LEFT HAND FIELD AREA

US 287

TEAL 1

MERRICK 1

WILCOX 1

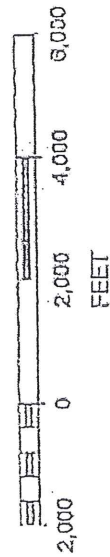
LEGG 1

MERRICK 2

STANLEY ET AL M-25X

STATE FERGUS 1

SCALE 1:46,692



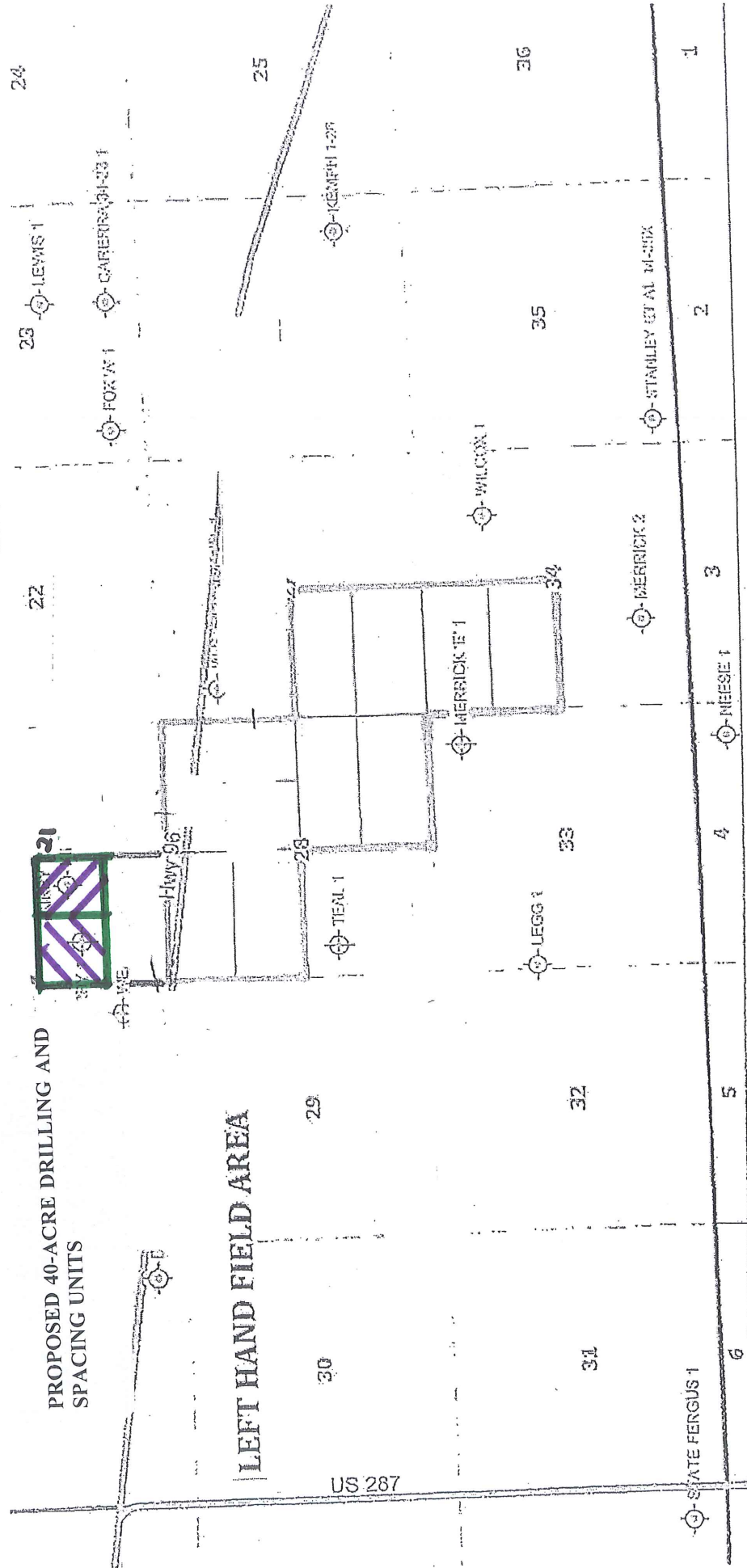


# LOCATION MAP

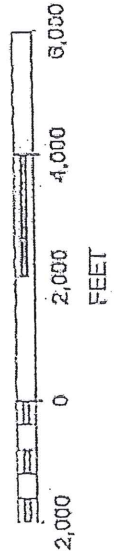
T18S - R47W  
KIOWA COUNTY

PROPOSED 40-ACRE DRILLING AND  
SPACING UNITS

LEFT HAND FIELD AREA



SCALE 1 : 46,692



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LANDS IN THE LEFT HAND FIELD, KIOWA )  
COUNTY, COLORADO )

Cause No. 252

Docket No. \_\_\_\_\_

AFFIDAVIT OF MAILING

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

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 21, 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.

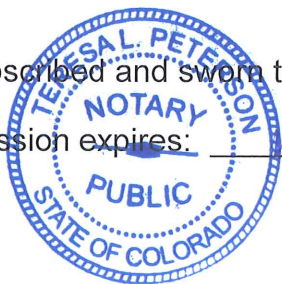
By:

Jamie L. Jost  
Jamie L. Jost

Subscribed and sworn to before me this 21 day of June, 2012.

My commission expires:

10-04-13



Laura L. Peterson  
Notary Public