

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 EIGHT (8) EXISTING 80 ACRE)	Cause No. 252
DRILLING AND SPACING UNITS AND)	
ESTABLISH SIXTEEN (16) 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 eight (8) 80 acre drilling and spacing units established by Commission Order No. 252-6 for the Marmaton Formation and in lieu thereof establish sixteen (16) 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 eight (8) 80 acre drilling and spacing units and to establish sixteen (16) 40 acre drilling and spacing units for the lands described below located in the Left Hand Field:

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 $\frac{1}{4}$
 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 $\frac{1}{4}$

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

3. Commission issued Order No. 252-6, effective September 25, 2009, established eight approximate 80 acre drilling and spacing units 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 each 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. 252-6 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 eight (8) existing 80 acre drilling and spacing units on the Application Lands, as described in Paragraph 2 above, and establish sixteen (16) 40 acre drilling and spacing units for the Application Lands comprised of the following lands:

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

Section 27: NE $\frac{1}{4}$ SW $\frac{1}{4}$
NW $\frac{1}{4}$ SW $\frac{1}{4}$

SE $\frac{1}{4}$ SW $\frac{1}{4}$
SW $\frac{1}{4}$ SW $\frac{1}{4}$

Section 28: NE $\frac{1}{4}$ NW $\frac{1}{4}$
NW $\frac{1}{4}$ NW $\frac{1}{4}$

SE $\frac{1}{4}$ NW $\frac{1}{4}$
SW $\frac{1}{4}$ NW $\frac{1}{4}$

NE $\frac{1}{4}$ SE $\frac{1}{4}$
NW $\frac{1}{4}$ SE $\frac{1}{4}$

SE $\frac{1}{4}$ SE $\frac{1}{4}$
SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 34: NE $\frac{1}{4}$ NW $\frac{1}{4}$
NW $\frac{1}{4}$ NW $\frac{1}{4}$

SE $\frac{1}{4}$ NW $\frac{1}{4}$
SW $\frac{1}{4}$ NW $\frac{1}{4}$

5. Applicant has not drilled or completed any producing vertical wells on the existing 80 acre drilling and spacing units 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 sixteen (16) 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 eight (8) existing 80 acre drilling and spacing units on the Application Lands, as described in Paragraph 2 above, in the Left Hand Field and establishing sixteen (16) 40 acre drilling and spacing units for the Application Lands comprised of the following lands:

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

Section 27: NE $\frac{1}{4}$ SW $\frac{1}{4}$
NW $\frac{1}{4}$ SW $\frac{1}{4}$

SE $\frac{1}{4}$ SW $\frac{1}{4}$
SW $\frac{1}{4}$ SW $\frac{1}{4}$

Section 28: NE $\frac{1}{4}$ NW $\frac{1}{4}$
NW $\frac{1}{4}$ NW $\frac{1}{4}$

SE $\frac{1}{4}$ NW $\frac{1}{4}$
SW $\frac{1}{4}$ NW $\frac{1}{4}$

NE $\frac{1}{4}$ SE $\frac{1}{4}$
NW $\frac{1}{4}$ SE $\frac{1}{4}$

SE $\frac{1}{4}$ SE $\frac{1}{4}$
SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 34: NE $\frac{1}{4}$ NW $\frac{1}{4}$
NW $\frac{1}{4}$ NW $\frac{1}{4}$

SE $\frac{1}{4}$ NW $\frac{1}{4}$
SW $\frac{1}{4}$ NW $\frac{1}{4}$

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.

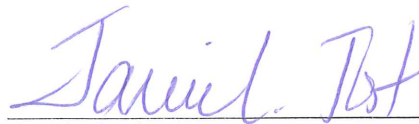
C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

Dated this 28th 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

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.

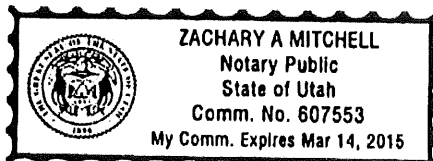
By: Larry F. Manikowski
Larry F. Manikowski

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



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)
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FORMATION UNDERLYING CERTAIN 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:

21, 2012, 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.

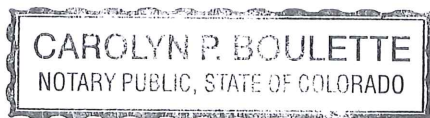
By: _____

Jamie L. Jost

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

Witness my hand and official seal.

My commission expires: October 22, 2015.



My Comm. Expires October 22, 2015

Carolyn P. Boulette

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

T. T. Teal & Mina Loy Teal, trustees 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
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Odessa, TX 79761

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

Mary Sweatt Degan
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Germantown, TN 38139

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Glendale, AZ 85302

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Oklahoma City, OK 73154

Philip C. & Joanna B. Neilson
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Edmond, OK 73013-5103

Mark & Julia McCurry
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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
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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 Kirby Trust
c/o Tony Lilley
819 S Kentwood Ave
Springfield, MO 65802

C. Stanley & Debbie Kirby
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Fair Grove, MO 65648

John H. Davisson et al
Dianne Davisson
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Eads, CO 81036-9669

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Jerry Jim Gingery & Judith Ann Little
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Ardmore, OK 73402

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Elizabeth & John B. Young
PO Box 281
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Linda Apple
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Wichita, KS 67217-2010

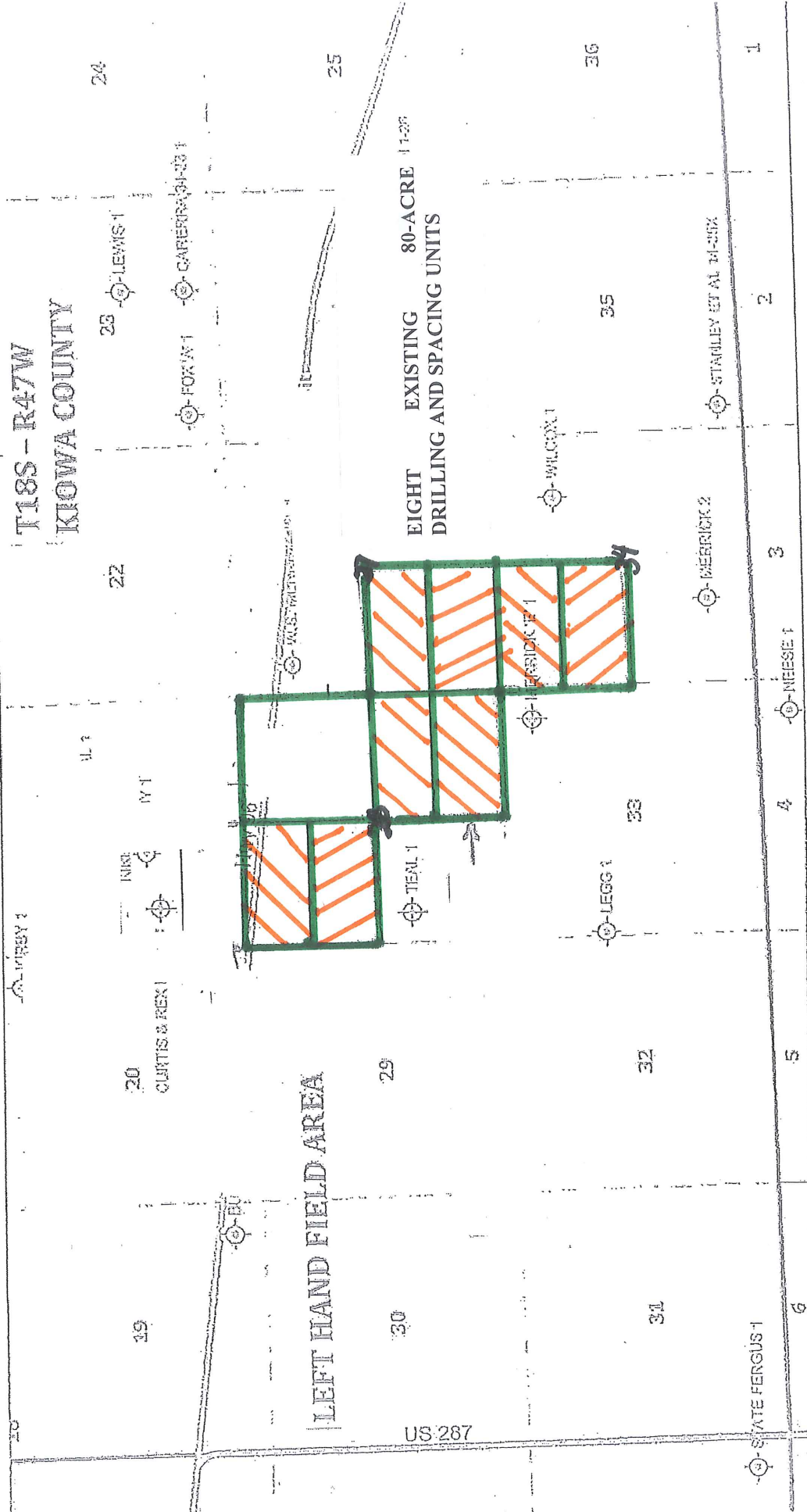
L. Darlene Jones
19710 Nottingham Drive
Downs, IL 61736

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

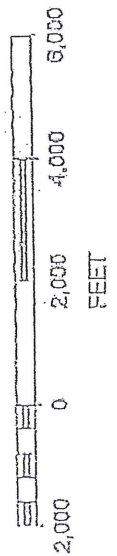
Yvonne M. Martin
1790 Diamond Hitch Drive
Jackson, WY 83001

LOCATION MAP

T18S - R47W
KIOWA COUNTY

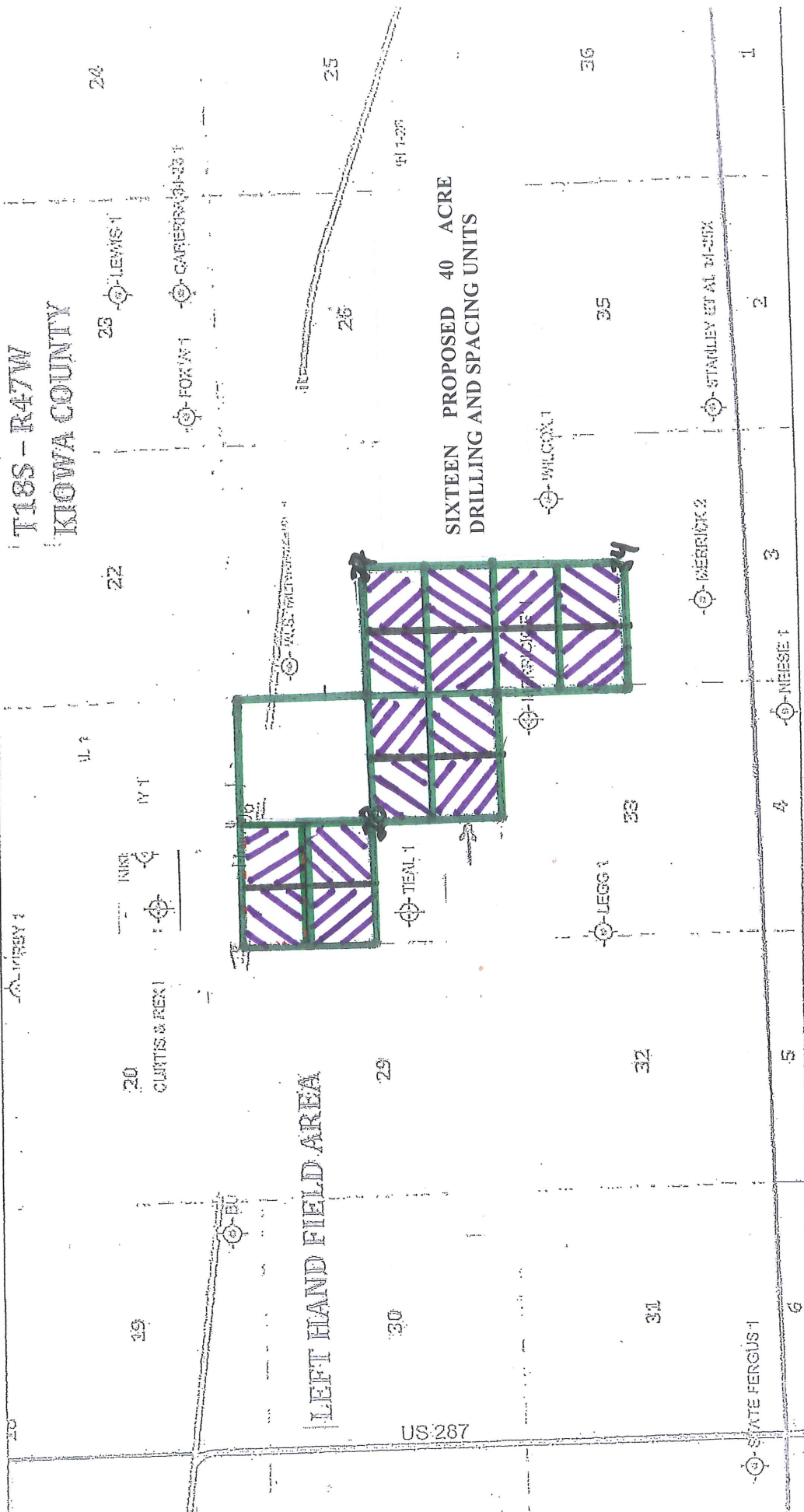


SCALE 1:46,692



LOCATION MAP

T18S - R47W
KIOWA COUNTY



SCALE 1:46,692

