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

IN THE MATTER OF THE APPLICATION OF BAYHORSE PETROLEUM, LLC FOR AN ORDER POOLING ALL INTERESTS IN AN EXPLORATORY DRILLING AND SPACING UNIT COMPRISED OF THE NW1/4NE1/4 OF SECTION 17, TOWNSHIP 35 SOUTH, RANGE 47 WEST, BACA COUNTY, COLORADO

CAUSE NO:

DOCKET NO:

APPLICATION

COMES NOW, Bayhorse Petroleum, LLC (referred to herein as "Applicant"), by and through its undersigned attorneys, and makes application to the Oil and Gas Conservation Commission of the State of Colorado ("COGCC"), for an order to pool all interests in a proposed forty (40) acre exploratory drilling and spacing unit for multiple formations in the following described lands:

Township 35 South, Range 47 West, 6th P.M. Section 17: NW/4NE/4

Baca County, Colorado (hereinafter "Application Lands")

In support of its application, Applicant states and avers as follows:

- 1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado.
- 2. Applicant owns a leasehold interest in a substantial portion of the Application Lands.
- 3. Based upon a concurrently filed, pending application before the Colorado Oil and Gas Conservation Commission, it is anticipated that the Application Lands will be established as an approximate 40 acre exploratory drilling and spacing unit to test for production of oil, gas, and associated hydrocarbons from multiple formations.
- 4. Applicant plans to drill the Arthur Canyon 1-17 well (the "Well") in the exploratory drilling and spacing unit consisting of the Application Lands.
- 5. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, seeks an order pooling all interests in the forty (40) acre exploratory drilling and spacing unit and/or the Application Lands, including any nonconsenting interests therein.

- 6. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of a well on the Application Lands.
- 7. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as required by Rule 507.b(2), and that at least thirty (30) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the well, and will be provided with the information required by Rule 530. The list of such interested parties is attached hereto as Exhibit A.
- 8. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands should be pooled, including any nonconsenting interests therein.

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

- A. Pooling all interests in the forty (40) acre drilling and spacing unit and/or the Application Lands;
- B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of a well on the Application Lands;
- C. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the authorized well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof; and
- D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED this Alst day of June, 2012.

Respectfully submitted:

BAYHORSE PETROLEUM, LLC

Ву:

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 a says that he is a Vice President & CFO/COO the foregoing Application and that the matter knowledge, information and belief.) for Bayhor	rse Pe		
	By: Z	F. M	anikowski	
Subscribed and sworn to before me this 20 day of June, 2012.				
Witness my hand and official seal.			•	
My commission expires: <u>3/14/15</u>				
·	No	tary P	Public	

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

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IN THE MATTER OF THE APPLICATION OF BAYHORSE PETROLEUM, LLC FOR AN ORDER POOLING ALL INTERESTS IN AN EXPLORATORY DRILLING AND SPACING UNIT COMPRISED OF THE NW1/4NE1/4 OF SECTION 17, TOWNSHIP 35 SOUTH, RANGE 47 WEST, BACA COUNTY, COLORADO	CAUSE NO: DOCKET NO:			
<u>AFFIDAVIT (</u>	OF MAILING			
STATE OF COLORADO)				
) ss. CITY AND COUNTY OF DENVER)				
Matthew J. Lepore, of lawful age, and being first duly sworn upon his oath, states and declares:				
That he is an attorney for Bayhorse Petroleum, LLC, that on or before June 27, 2012, 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:				
	Matthew J. Lepore			
Subscribed and sworn to before me this $2/$ day of June, 2012.				
Witness my hand and official seal.				
My commission expires: $10/22/2015$.				
CAROLYN P. BOULETTE NOTARY PUBLIC, STATE OF COLORADO	Carolin P. Boulette			
My Comm. Expires October 22, 2015 Notary Public				

My Comm. Expires October 22, 2015

EXHIBIT A

E. M. Des Marteau 15709 Quail Ridge Drive Smithville, MO 64089

V. Brandy LeMae custodian for Carmen Joseph Vigil, V 99 Hickory Avenue Boulder, CO 80303

Maxine L. McMahan 8250 East Arabian Trl, #116 Scottsdale, AZ 85258

Don & Mary Hallock 701 Church St. Springfield, CO 81073

Larry D. & Gwynne Hallock 725 Bear Creek Dr. Fort Collins, CO 80526

Dana & Kerry Christie 200 Park St. Springfield, CO 81073

Zola Porter Rt. 1, Box 27 Amber, OK 73004

Johnson & Smith, Limited Liability Limited Partnership a/k/a Johnson & Smith, LLLP, a Colorado limited liability limited partnership Johnsons I & II Family Corporation, General Partner Jane Ann Johnson Smith, President 12506 WCR 19 Platteville, CO 80651

Cherryl & Duane Larson PO Box 2333 Gillette, WY 82717

Zora Belle & Gary Alan Koch 70 E. Whistlers Bend Circle The Woodlands, TX 77384 Georgia & Robert L. Lacy 1112 Chiron St. Lafayette, CO 80026

Steve Johnson individually & with Durable Power of Attorney for Jessie Lee Johnson, a widow 11234 Coonrod Rd. Cheyenne, WY 82001

Maxine Johnson PO Box 1727 Clinton, OK 73601

Bayhorse Petroleum, LLC 2558 E Portsmouth Ave. Salt Lake City, UT 84121-5627

Roger W. Crecely & William A. Montgomery co-trustees of the Montgomery Trust A PO Box 1115
Leadville, CO 80461

Beverly & William Reish 807 35th St. Cody, WY 82414

Frances Lee Meyer trustee of the Marian F. Earp Mineral Trust PO Box 241 Morrisonville, IL 62546

Frances Lee Meyer trustee of the Marian F. Earp 1990 Irrevocable Trust PO Box 241 Morrisonville, IL 62546

James & Bonita Hammontree 16705 Redbud Drive Catoosa, OK 74015

R. Wayne Wilkins Jr. his own separate property 16732 Merriman Rd. Livonia, MI 48154 Alma L. Johnson her own separate property PO Box 494 Little York, NY 13087

Leslie H. Wilkins her own separate property PO Box 104 Preble, NY 13142

Mary Dale Lange her own separate property 2598 Rt. 11A Lafayette, NY 13084

Ross M. Wilkins his own separate property 446 Meadow Vista Dr. Evergreen, CO 80439

Edward M. Garrett, DDS separate properties 2929 West University Blvd. Durant, OK 74701

John Marshall Garrett separate properties 4011 Delmonte Drive Boise, ID 83704

Betty Jane Garrett PO Box 906 Boise City, OK 73933

Bayhorse Petroleum, LLC Larry F. Manikowski, Manager 2558 E. Portsmouth Ave. Salt Lake City, UT 84121-5627

Manikowski Minerals, LLC Larry F. Manikowski, Manager 2558 E. Portsmouth Ave. Salt Lake City, UT 84121-5627

Paul S. Carey 3605 Saddleback Rd. Park City, UT 84098 Jo-Allyn Oil Co., Inc. Allen Barby, President PO Box 446 Laverne, OK 73848

Vaughn Minerals, LLC Rodney L. Vaughn, Manager 491 Birch Lane Providence, UT 84332

Hermanos Perdidos, LLC Jeffrey W. Vaughn, Manager 9748 S. Bluffside Drive Sandy, UT 84092

David S. Burland 30 N. Acorn Dr. North Salt Lake, UT 84054

Richard A. & Bronwyn A. Cooke III PO Box 280 Kualapuu, HI 96757

Back Country Investments LLC Randy Pitcher, Manager 14046 So. Emmeline Dr. Herriman, UT 84096

Black Gold Drilling, Inc. Allen J. Gross, President 1401 N. El Camino Real, Suite 207 San Clemente, CA 92672

Terrence Haynes 5355 Cassat Cr. Kearns, UT 84118

Oil Tyfoons, LLC Jeffrey W. Vaughn, Manager 9748 S. Bluffside Drive Sandy, UT 84092

Matthew H. Davy PO 981413 Park City, UT 84098

Norman L. Nelson First State Bank 105 West Main Norton, KS 67654 Ward Petroleum Corporation Gilbert Tompson, VP - Land 502 S. Fillmore Enid, OK 73703 Larry P. Friend 1639 Burns Wichita, KS 67203-2757

Sonja & Tommy Bronniman 904 S. 11th Street Lamar, CO 81052