



BP America Production Company
380 Airport Road, Bldg. B
Durango, Colorado 81303

August 16, 2010

Mr. David Neslin
Colorado Oil and Gas Conservation Commission
Denver, CO 80203

BP Request for Exception Location
Ray, Billy #3
W/2 Section 19, T34N-R9W

Dear Mr. Neslin:

BP America Production Company is requesting an exception location be granted to Rule 603a(2) for the Ray, Billy #3. BP is proposing to drill the above referenced well at a location from the expansion of the existing Ray, Billy GU #1 well pad. The Colorado Oil & Gas Conservation Commission ("COGCC") Rule 603a(2) requires a setback of 150 feet from the wellhead to a surface property line. The Ray, Billy #3 is located less than 150 feet from a surface property line located to the west with an encroachment of 87 feet. A portion of the permanent pad will be located on the encroached upon surface owner.

The Ray, Billy GU #1 well pad is being expanded to the south to accommodate the Ray, Billy #3 well per attached Site Plan. Expansion to the south is preferable due to topographic constraints and landowner wellpad expansion preference.

A Surface Use Agreement has been obtained from the Family Bardin Partnership LLLP, the surface property owners of the encroached upon property line located to the west of the wellhead. The Family Bardin Partnership LLLP is also the surface property owner of the portion of the permanent pad upon which the wellhead will be located. A copy of the Surface Use Agreement is submitted with this request.

Thank you for considering our request for this exception. Should you have any additional questions, please contact me at (970) 335-3828.

Thank you,

Susan J. Folk
Infill Project Permitting Coordinator
San Juan Coalbed Methane Major Project

- LEGEND:**
- PARCELS
 - SUBDIVISION BOUNDARY
 - TEMPORARY USE AREA
 - GAS & WATER PIPELINES
 - EXISTING PIPELINES
 - H2080
 - ACCESS ROAD
 - TRANS. LINE
 - STRUCTURES
 - FRUITLAND WELLS
 - PIPELINE/ROAD ROW
 - POSSIBLE LOCATION/EQUIPMENT



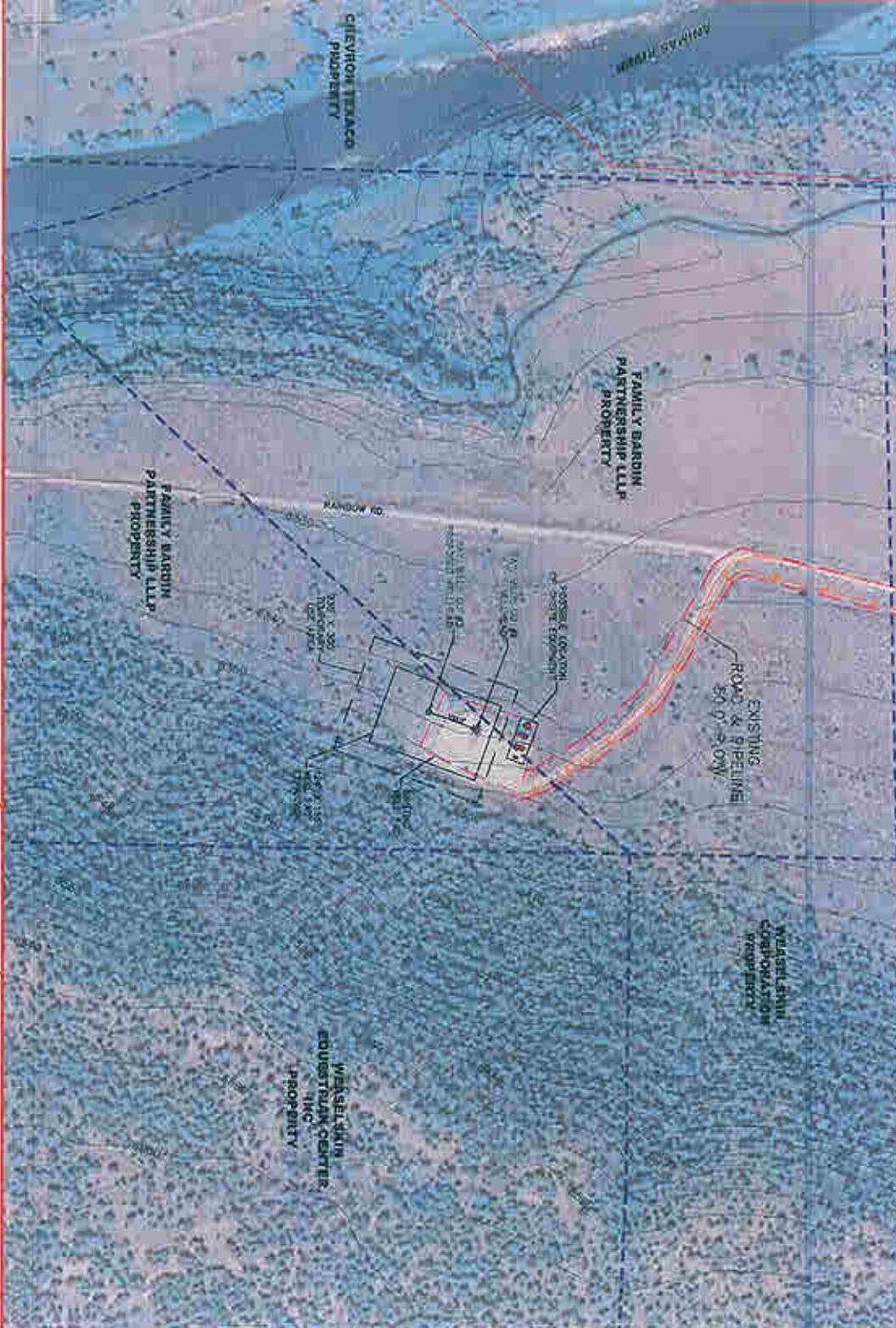
111 Rock Road Dr. Suite # 101
 Durango, CO 81301 (970) 375-7169

ISSUED FOR REVIEW

5/4 5/8 5/22

**RAY, BILLY GU #3
 LPC SITE PLAN**

04/22/10 1388-A RAY, BILLY GU3 LPC A
 NW 14 PLAN COUNTY CO



LEGEND:

- PROPOSED TANK
- PROPOSED SEPARATOR
- PROPOSED SOLAR
- EXISTING TANK
- EXISTING WELLS
- EXISTING SOLAR
- EXISTING WELLS
- EXISTING SOLAR
- POSSIBLE LOCATION OF ON-SITE EQUIPMENT

ELARGED VIEW OF WELL PAD

235 X 300' TEMPORARY USE AREA

120' X 135' WELL PAD EXPANSION

EXISTING WELL PAD

EXISTING WELLS

EXISTING SOLAR

POSSIBLE LOCATION OF ON-SITE EQUIPMENT

LOCATION: 14.274607° N, 107.9207940° W
 SECTION 19, T34N, R9W
 17421.7' FNL - 10867.7' FWL

DIRECTIONS TO SITE:
 TURN OFF HWY 550 ON TO BARRON DR. FOR 0.65 MILES. MAKE U-TURN ON THE RIGHT TO WELLSITE. ACCESS ROAD TO WELL SITE.

PAVEMENT:
 EXISTING PAV. 0.22 ACRES
 PAD EXPANSION: 0.44 ACRES

REGULATION PLAN:
 *RE SEED
 *RE GRADE
 *RE PLAN

SCALE: 1" = 200'
 0 50 100 150 200 FEET
 5/8" OR 3/4" (90%)
 5/8" OR 3/4" (90%)

PLANS: WELL PAD, EQUIPMENT WELL PAD, PRELIM ROUTE AND ACCEPT FOR ALL APPROPRIATE AGENCIES AND ARE SUBJECT TO BEING APPROVED BY THE LOCAL, STATE AND FEDERAL AGENCIES. THE ENGINEER'S INTENTION TO OPERATE WITHIN ALL APPLICABLE RULES AND REGULATIONS.

NO.	DATE	DESCRIPTION
1	04/22/10	ISSUED FOR REVIEW
2	04/22/10	ISSUED FOR REVIEW
3	04/22/10	ISSUED FOR REVIEW
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