



BP America Production Company
1660 Lincoln Street, Suite 2900
Denver, Colorado 80264

June 23, 2010

Mr. David Neslin
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

BP Request for Special Exception From Infill Order No. 112-180
Barnes GU A #4
S/2 Section 2, T33-R9W

Dear Mr. Neslin:

As you are aware, BP America Production Company is conducting an infill program as authorized by Infill Order No. 112-180. The order allows for a total of four (4) wells to be drilled in each 320-acre drilling and spacing unit for the specified lands, utilizing an expanded pad with an existing well so that Fruitland Coal Well Pads within the infill application area will not exceed four (4) within any single 640-acre governmental section of real property unless the use of an existing well pad is rendered impractical. The Commission may grant a special exception allowing for a greater density of Fruitland Coal well pads if the use of an existing well pad is deemed impractical 1) after consultation with the Local Governmental Designee and 2) due to one or more of the following factors:

- a. topographic characteristics of the site;
- b. natural resource constraints (e.g., wetlands);
- c. the location of utilities or similar services;
- d. geologic factors or where issues concerning distances between wells are present;
- e. other site conditions beyond the control of BP; or
- f. safety concerns.

BP has encountered a circumstance requiring a special exception to these surface density requirements. A fifth well pad is necessary to develop the Barnes GU A #4 as the Barnes GU A #2 can not be expanded for this purpose. This special exception request will demonstrate that consultation with a Local Government Designee has occurred and that expansion of the Barnes GU A #2, initiating the need for an exception, is impractical due to natural resource constraints.

Consultation with Local Government Designee

BP has reviewed the site with the La Plata County Oil and Gas Planner, submitted the appropriate minor facility permit application and received approval from La Plata County (see attached LPC permit).

Factors Precluding Well Pad Expansion

La Plata County Oil & Gas code will not allow a facility to be sited in an area within a floodway of a stream or river as shown on the Flood Insurance Rate Maps (FIRM) or as determined by a state licensed professional engineer LPLUC 90-123(a)(2). As the existing Barnes GU A #2 well pad is located within the flood plain and potential oxbow of the Florida River and therefore, per La Plata County code, cannot be expanded to accommodate the Barnes GU A #4 (see drawing attached), the La Plata County Oil and Gas Planner has requested an exception location be utilized for the Barnes GU A #4. The landowner, John M. Barnes, on whose property the Barnes GU A #2 is located has signed a Surface Use Agreement for the proposed exception location.

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

Sincerely,



Susan Folk
Infill Permitting Coordinator
Regulatory Compliance
San Juan Coalbed Methane Infill Project
BP America Production Company
Durango, Colorado