

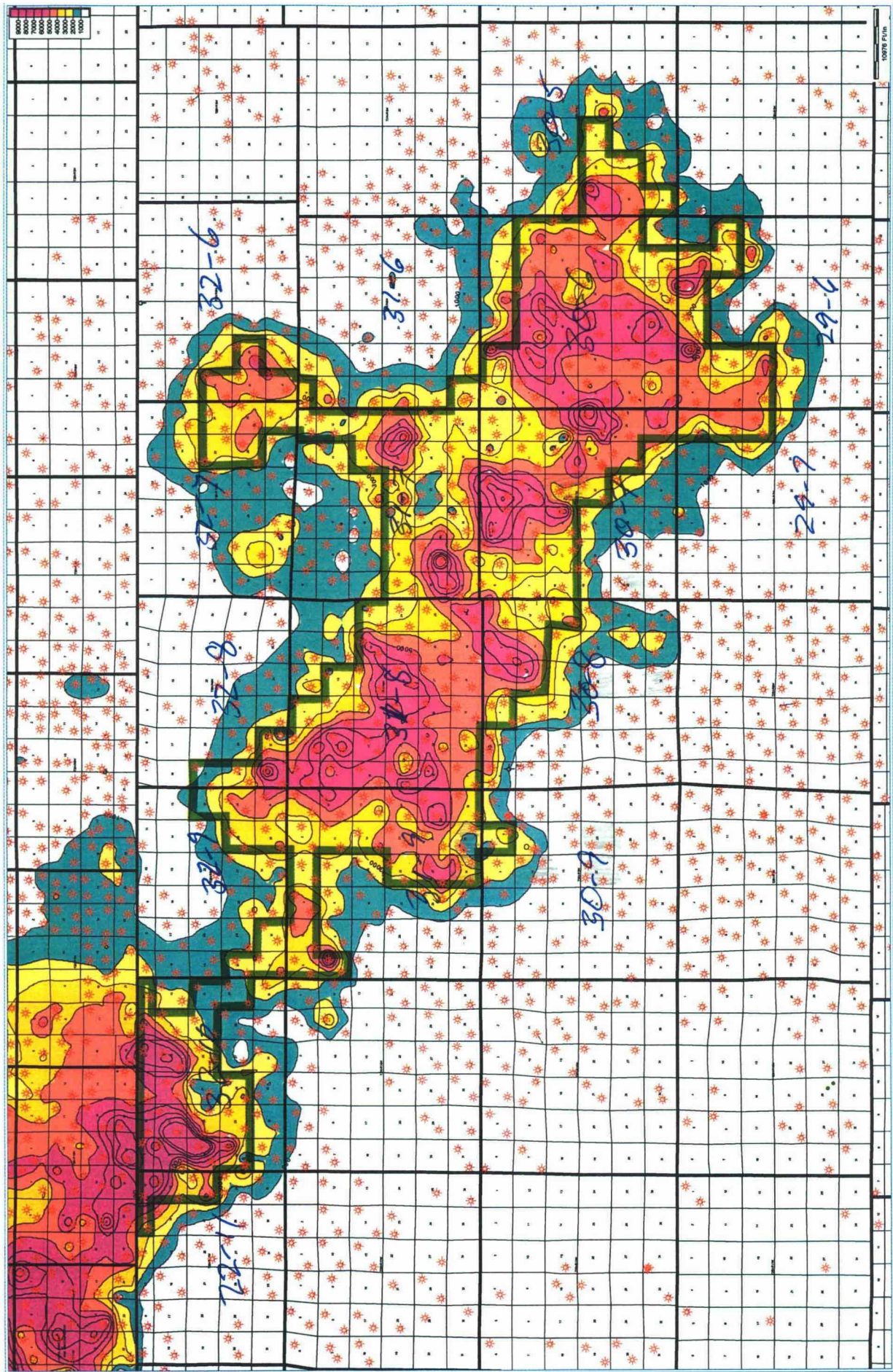
Regulatory Overview

BP

Bill Hawkins

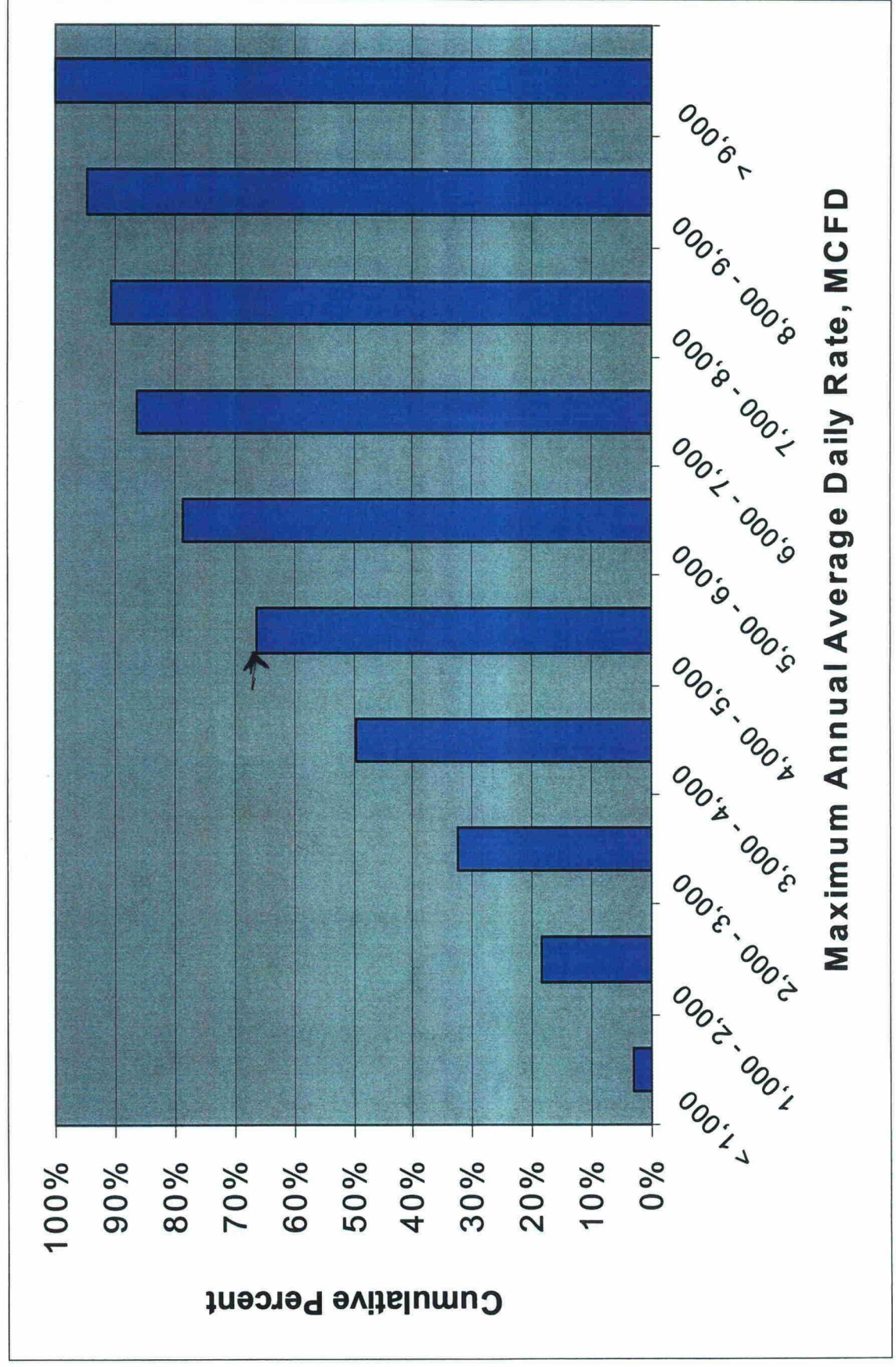
Regulatory Engineer

Fruitland Infill Boundary & Highest Annualized Daily Rates



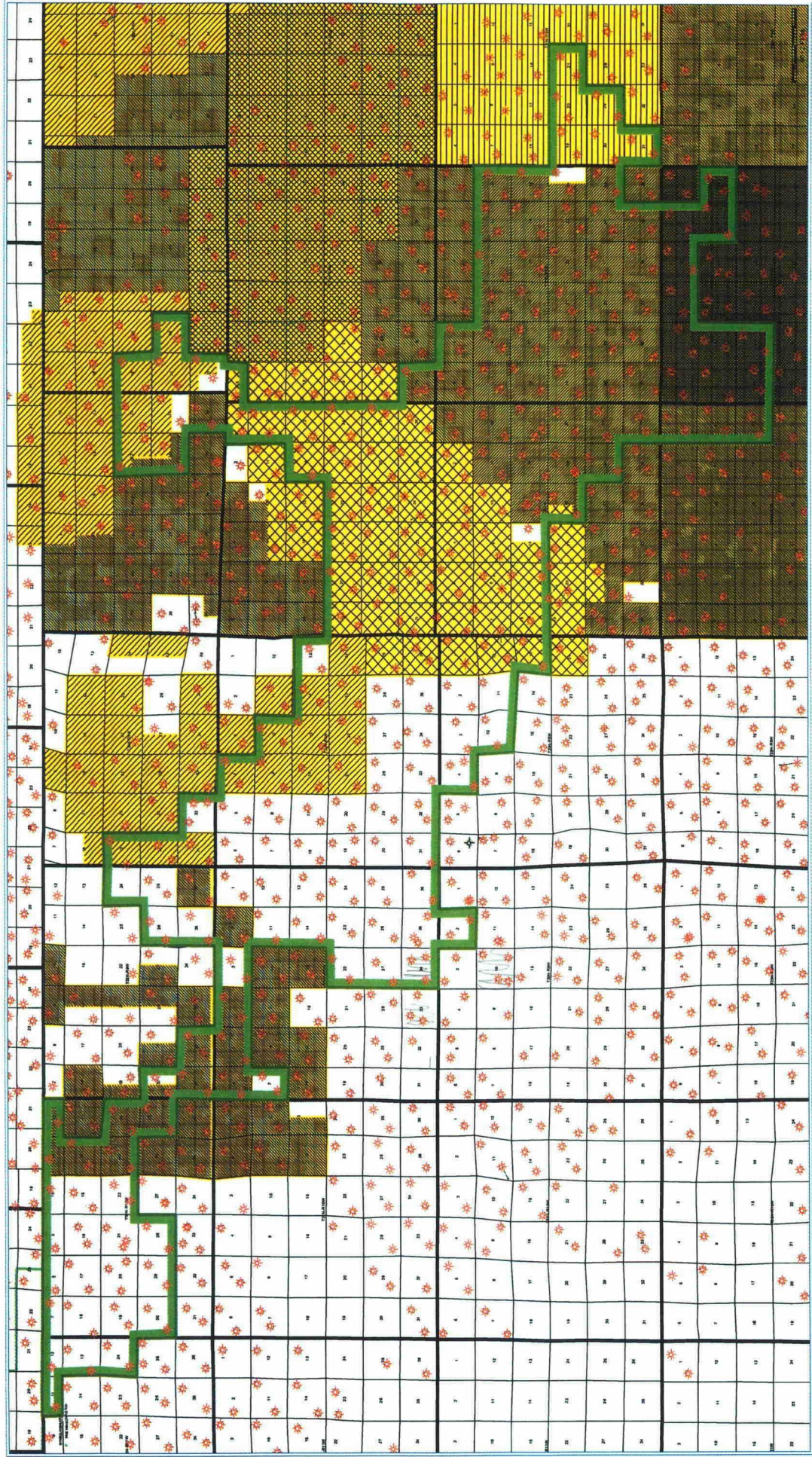
High Productivity Area

Distribution of Well Rates



Proposed Boundary & Units

90% Unit: w/
the Park



Basin Fruitland Coal Pool

Infill Regulatory Summary

- Significant incremental recovery potential exists for infill wells throughout the field:
 - in the Under-Pressured portion of the pool
 - in the Over-Pressured portion of the pool
 - and in the proposed “High Productivity Area”
- Proposed “High Productivity Area” boundary and special notice procedures are not justified:
 - create an unfair advantage for federal units inside the boundary
 - adversely impact the individual drill blocks inside the boundary
 - potentially violate correlative rights and cause waste
- BP recommends that NMOCD approve an optional infill well pool wide without a “High Productivity Area” boundary and without special notice procedures.