

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL
 OIL GAS COALBED OTHER _____
 SINGLE ZONE MULTIPLE COMMINGLE

Refiling
 Sidetrack

Document Number:
 400219312
 PluggingBond SuretyID
 20080034

3. Name of Operator: BAYSWATER EXPLORATION AND PRODUCTION LLC 4. COGCC Operator Number: 10261
 5. Address: 730 17TH ST STE 610
 City: DENVER State: CO Zip: 80202
 6. Contact Name: Kallasandra Moran Phone: (303)928-7128 Fax: (303)962-6237
 Email: kmoran@petro-fs.com
 7. Well Name: Bosworth-Bailey Well Number: 20-31
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 7752

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 31 Twp: 7N Rng: 66W Meridian: 6
 Latitude: 40.525606 Longitude: -104.813738
 Footage at Surface: 717 feet FSL 188 feet FEL
 11. Field Name: Eaton Field Number: 19350
 12. Ground Elevation: 4875 13. County: WELD

14. GPS Data:
 Date of Measurement: 06/22/2011 PDOP Reading: 1.7 Instrument Operator's Name: Owen McKee / PFS

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**
 Footage at Top of Prod Zone: FNL/FSL _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____
1324 FSL 1323 FEL 1624 FSL 1324 FEL
 Sec: 31 Twp: 7N Rng: 66W Sec: 31 Twp: 7N Rng: 6W

16. Is location in a high density area? (Rule 603b)? Yes No
 17. Distance to the nearest building, public road, above ground utility or railroad: 175 ft
 18. Distance to nearest property line: 188 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2169 ft

LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Codell	CODL		160	SE4
Green Horn	GRNHN		160	SE4
Hygiene	HYGN		160	SE4
Niobrara	NBRR		160	SE4
Parkman	GRNHN		160	SE4
Sussex	SUSX		160	SE4

21. Mineral Ownership: Fee State Federal Indian Lease #: _____

22. Surface Ownership: Fee State Federal Indian

23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#: _____

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No

23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):
SE4, Sec. 31, T7N-R66W

25. Distance to Nearest Mineral Lease Line: 188 ft 26. Total Acres in Lease: 160

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? Yes No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No

31. Mud disposal: Offsite Onsite **If 28, 29, or 30 are "Yes" a pit permit may be required.**

Method: Land Farming Land Spreading Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	8+5/8	24	0	840	588	840	0
1ST	8+7/8	4+1/2	11.6	0	7,752	57	7,752	3,400

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None

33. Comments No conductor casing will be set. Please reference Bayswaters E&P Waste Management Plan for COGCC Facility #425196 / COGCC Document #1814870. The location does NOT require a variance from any of the rules listed in Rule 306.d. (1). (A). (ii). The location is NOT in a restricted surface occupancy area. The location is NOT a sensitive wildlife habitat area.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? Yes No

36. Is this application part of submitted Oil and Gas Location Assessment ? Yes No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Kallasandra M. Moran

Title: Regulatory Manager Date: _____ Email: kmoran@petro-fs.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ Director of COGCC Date: _____

API NUMBER
05

Permit Number: _____ Expiration Date: _____

CONDITIONS OF APPROVAL, IF ANY: _____

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

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Attachment Check List

Att Doc Num	Name
400219320	30 DAY NOTICE LETTER
400219321	PLAT
400219322	TOPO MAP
400219323	DEVIATED DRILLING PLAN

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	Use a closed-loop drilling mud system to preclude the use of an earthen reserve pits when available.
Storm Water/Erosion Control	Use water bars, and other measures to prevent erosion and non-source pollution. Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).
Construction	Remove only the minimum amount of vegetation necessary for the construction of roads and facilities. Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation. No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.
Interim Reclamation	Utilize only such area around each producing well as is reasonably necessary. Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations. All reseeded shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.
Final Reclamation	All surface restoration shall be accomplished to the satisfaction of Owner. All reseeded shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner. Final reclamation shall be completed to the reasonable satisfaction of the Owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC).
Site Specific	Fence the well site after drilling to restrict public and wildlife access. Keep well site location, the road, and the pipeline easement free of noxious weeds, litter and debris. Spray for noxious weeds, and implement dust control, as needed. operator will not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's Land. Construct and maintain gates where any roads used by operator cross through fences on the leased premises.
Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.

Total: 7 comment(s)