

FORM
2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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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:

400223163

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: NC Farms Well Number: 10-32

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 7765

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 32 Twp: 7N Rng: 64W Meridian: 6

Latitude: 40.522872 Longitude: -104.567456

Footage at Surface: 185 feet FNL/FSL 770 feet FEL/FWL FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4804 13. County: WELD

14. GPS Data:

Date of Measurement: 09/27/2011 PDOP Reading: 1.3 Instrument Operator's Name: LK Stevenson / PFS

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1295 FSL 1521 FEL 2077 FSL 2079 FEL
Sec: 32 Twp: 7N Rng: 64W Sec: 32 Twp: 7N Rng: 64W

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: 157 ft

18. Distance to nearest property line: 57 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1159 ft

20. 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	SE/4
Greenhorn	GRNH		160	SE/4
Niobrara	NBRR		160	SE/4
Parkman	PRKM		160	SE/4

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#: 20100112

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. 32, T7N-R64W

25. Distance to Nearest Mineral Lease Line: 1295 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

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	760	532	760	0
1ST	8+7/8	4+1/2	11.6	0	7,765	897	7,765	3,425

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

33. Comments No conductor casing will be set. Closest property line is 57' NW to same land owner. Next closest property line is 185' S to different land owner. Please reference Bayswaters E&P Waste Management Plan for COGCC Facility #425196 / COGCC Document #1814870.

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: 11/11/2011 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: David S. Nesline Director of COGCC Date: 12/11/2011

API NUMBER

05 123 34785 00

Permit Number: _____ Expiration Date: 12/10/2013

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.

Derrick height (ground to crown) cannot exceed 105 feet due to close proximity to power line per Rule 603a1 without an approved variance.

Operator must must meet water well sampling requirements per rule 318A.

1)Provide 24 hour notice of MIRU to Jim Precup via e-mail at jim.precup@state.co.us.

2)Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara and from 200' below Parkman to 200' above Parkman. Verify coverage with a cement bond log.

3)Comply with Rule 321. Run and submit Directional Survey from the end of production casing to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
2481293	SURFACE CASING CHECK
2531457	EXCEPTION LOC WAIVERS
2531530	EXCEPTION LOC REQUEST
2531542	EXCEPTION LOC WAIVERS
400223163	FORM 2 SUBMITTED
400223187	WASTE MANAGEMENT PLAN
400223188	30 DAY NOTICE LETTER
400223189	DEVIATED DRILLING PLAN
400223191	TOPO MAP
400223192	PLAT

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Parkman is much shallower than the other objectives and it is penetrated in the build part of the drilling leg and therefore is offset from the bottom hole location.	12/9/2011 10:55:24 AM
Permit	Received surface waiver and request letter.	11/28/2011 8:18:01 AM
Permit	On hold Waiting for surface waivers per 603a2	11/15/2011 10:36:05 AM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Final Reclamation	All surface restoration shall be accomplished to the satisfaction of Owner. All reseeding 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).
Drilling/Completion Operations	When available and reasonable use a closed-loop drilling mud system to preclude the use of an earthen reserve pits when available.
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, its employees, or contractors cross through fences on the leased premises.
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 reseeding 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.
Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.
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).

Total: 7 comment(s)