

FORM
2Rev
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:

400226881

PluggingBond SuretyID

20080034

3. Name of Operator: BAYSWATER EXPLORATION AND PRODUCTION
LLC4. COGCC Operator Number: 102615. Address: 730 17TH ST STE 610City: DENVER State: CO Zip: 802026. Contact Name: Kallasandra Moran Phone: (303)928-7128 Fax: (303)962-6237Email: kmoran@petro-fs.com7. Well Name: Zarlengo Well Number: 6-4

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

9. Proposed Total Measured Depth: 5225

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 4 Twp: 1S Rng: 67W Meridian: 6Latitude: 39.995033 Longitude: -104.896817Footage at Surface: 1938 feet FNL/FSL 1828 feet FEL/FWL
FNL FWL11. Field Name: Spindle Field Number: 7790012. Ground Elevation: 5155 13. County: ADAMS

14. GPS Data:

Date of Measurement: 11/01/2011 PDOP Reading: 2.9 Instrument Operator's Name: Owen McKee / PFS15. 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 _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1401 ft18. Distance to nearest property line: 172 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1261 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.)
Sussex	SUSX	250-12	80	E/2NW4

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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 ☒ No23b. 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):

W/2 Sec. 4, T1S-R67W, excluding NE1/4 of W1/2

25. Distance to Nearest Mineral Lease Line: 812 ft

26. Total Acres in Lease: 220

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	1,140	735	1,140	0
1ST	7+7/8	4+1/2	11.6	0	5,225	689	5,225	1,050

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

33. Comments No conductor casing will be set.

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: 11/28/2011 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 G. Neslin

Director of COGCC Date: 12/30/2011

API NUMBER

05 001 09737 00

Permit Number: _____ Expiration Date: 12/29/2013

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.

- 1) Note surface casing setting depth change from 1050' to 1140'. Increase cement coverage accordingly and cement to surface.
- 2) Provide 24 hour notice of MIRU to Mike Hickey at 970-302-1024 or e-mail at Mike.Hickey@state.co.us
- 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Sussex. Verify coverage with cement bond log.

Attachment Check List

Att Doc Num	Name
400226881	FORM 2 SUBMITTED
400226883	TOPO MAP
400226884	PLAT
400226885	30 DAY NOTICE LETTER

Total Attach: 4 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	LGD comment received; final review completed.	12/29/2011 8:26:16 AM
Permit	Revised unit config per operator. 11/29/2011	11/29/2011 9:13:51 AM
LGD	All well facilities will be fenced and locked to prevent unlawful entry. All facilities will be painted to an earthtone color. It appears as though the operator will be using the existing access. No additional access points will be allowed unless approved by Adams County.	11/29/2011 7:25:40 AM
Permit	On hold - Established drilling and spacing units appear to be stand-up and not lay-down.	11/29/2011 4:57:44 AM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
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.
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.
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.
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).
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.

Total: 7 comment(s)