

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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Document Number:

400243276

Date Received:

01/27/2012

PluggingBond SuretyID

20080034

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 ☐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: COALBANK CREEK Well Number: 9-20

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

9. Proposed Total Measured Depth: 7720

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 20 Twp: 7N Rng: 66W Meridian: 6Latitude: 40.557851 Longitude: -104.793317

Footage at Surface: 1722 feet FNL/FSL 196 feet FEL/FWL FEL

11. Field Name: Wattenberg Field Number: 9075012. Ground Elevation: 4944 13. County: WELD

14. GPS Data:

Date of Measurement: 07/07/2011 PDOP Reading: 1.4 Instrument Operator's Name: Chris Boub/PFS15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1997 FSL 672 FEL FEL Bottom Hole: FNL/FSL 1993 FSL 674 FEL FEL
 Sec: 20 Twp: 7N Rng: 66W Sec: 20 Twp: 7N Rng: 66W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 172 ft18. Distance to nearest property line: 98 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 883 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		40	NE/4 SE/4
Greenhorn	GRNH		40	NE/4 SE/4
Hygiene	HYGN		40	NE/4 SE/4
Niobrara	NBRR		40	NE/4 SE/4
Parkman	PRKM		40	NE/4 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#:

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):
 Lot A & Lot B (E/2) Sec 20, Township 7 North Range 66 West

25. Distance to Nearest Mineral Lease Line: 98 ft 26. Total Acres in Lease: 65

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	7,720	896	7,720	0

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

33. Comments No conductor casing will be set. Please reference Bayswater E&P Waste Management Plan for COGCC Facility #425196 / COGCC Document #1814870. Exception location request & waivers attached. Bayswater's rig is 105' tall, 1.5 times equals 157.5'. The power lines are 192'. The location drawing labels the closest building as an outbuilding, it is a storage shed that is not used anymore by the landowner. We have spoken to him about this.

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 Moran

Title: Regulatory Analyst Date: 1/27/2012 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: 3/25/2012

API NUMBER

05 123 35312 00

Permit Number: _____ Expiration Date: 3/24/2014

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.

Requires water sampling according to Rule 318A.e.(4).

1)Provide 48 hour notice of MIRU to Jim Precup via e-mail at james.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 Hygiene to 200' above Parkman. Verify coverage with a cement bond log.

3)Comply with Rule 321. Run and submit Directional Survey from the TD to surface. 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
2113405	EXCEPTION LOC REQUEST
2481419	SURFACE CASING CHECK
400243276	FORM 2 SUBMITTED
400243289	WELL LOCATION PLAT
400243291	TOPO MAP
400244215	DEVIATED DRILLING PLAN
400244217	WASTE MANAGEMENT PLAN
400245737	30 DAY NOTICE LETTER
400245738	EXCEPTION LOC WAIVERS
400247272	DIRECTIONAL DATA

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Received & added rig height information and outbuilding comments as directed by opr. Final review complete.	3/20/2012 4:32:29 PM
Permit	Received & attached exception location request. Need information addressing rig height and the function of the building.	2/24/2012 9:17:42 AM
Permit	Operator input directional template. This form has passed completeness.	1/31/2012 1:12:39 PM
Permit	Returned to draft. Missing directional template.	1/27/2012 1:49:43 PM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
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. Bayswater Exploration and Production, LLP 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 Bayswater Exploration and Production, LLP, its employees, or contractors cross through fences on the leased premises.
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).
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).
Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.
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.
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.

Total: 7 comment(s)