

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



Document Number:

400243157

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 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: COALBANK CREEK Well Number: 10-20

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

9. Proposed Total Measured Depth: 7972

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 20 Twp: 7N Rng: 66W Meridian: 6

Latitude: 40.557851 Longitude: -104.793389

Footage at Surface: 1722 feet FNL/FSL 216 feet FEL/FWL FEL

11. Field Name: Wattenberg Field Number: 90750

12. 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/PFS

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

Footage at Top of Prod Zone: FNL/FSL 2008 FSL FSL FEL 2020 FEL FEL Bottom Hole: FNL/FSL 1994 FSL FSL FEL 2022 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 ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 155 ft

18. Distance to nearest property line: 98 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1320 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	NW/4 SE/4
Greenhorn	GRNH		40	NW/4 SE/4
Hygiene	HYGN		40	NW/4 SE/4
Niobrara	NBRR		40	NW/4 SE/4
Parkman	PRKM		40	NW/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	7,972	919	7,972	0

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 #114870. 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 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 35318 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.

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

Attachment Check List

Att Doc Num	Name
2113406	EXCEPTION LOC REQUEST
400243157	APD APPROVED
400243201	WELL LOCATION PLAT
400243203	TOPO MAP
400244206	WASTE MANAGEMENT PLAN
400244207	DEVIATED DRILLING PLAN
400245732	30 DAY NOTICE LETTER
400245734	EXCEPTION LOC WAIVERS
400247271	DIRECTIONAL DATA
400264752	FORM 2 SUBMITTED

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 4:37:41 PM
Permit	Received & attached exception location request. Need information addressing rig height and the function of the building.	2/24/2012 9:18:40 AM
Permit	Operator input directional template. This form has passed completeness.	1/31/2012 1:08:16 PM
Permit	Returned to draft. Missing directional template.	1/27/2012 1:52:59 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)