

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

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Date Received:

04/06/2012

PluggingBond SuretyID

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: BAYLESS PRODUCER LLC* ROBERT L

4. COGCC Operator Number: 6720

5. Address: 621 17TH ST STE 2300

City: DENVER State: CO Zip: 80293

6. Contact Name: Habib Guerrero Phone: (505)3262659 Fax: (505)326-6911

Email: hguerrero@rlbayless.com

7. Well Name: WEAVER RIDGE Well Number: 14-15H

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

9. Proposed Total Measured Depth: 9249

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 14 Twp: 1S Rng: 104W Meridian: 6

Latitude: 39.954075 Longitude: -109.032151

Footage at Surface: 39 feet FSL 1564 feet FEL

11. Field Name: BANTA RIDGE Field Number: 5200

12. Ground Elevation: 6702 13. County: RIO BLANCO

14. GPS Data:

Date of Measurement: 12/16/2011 PDOP Reading: 2.4 Instrument Operator's Name: K. STEWART

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
412 FSL 853 FEL 2040 FSL 2246 FWL
Sec: 14 Twp: 1S Rng: 104 Sec: 13 Twp: 1S Rng: 104
W W

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: 10348 ft

18. Distance to nearest property line: 2602 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1400 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.)
Mancos B	MNCSB			

21. Mineral Ownership: ☐ Fee ☐ State ☒ Federal ☐ Indian Lease #: CO58704

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):

COC 58704: T1S R104W: 13: S2NE, S2; 14: S2;15: LOTS 3, 4; 24: NW; COC 58705: T1S R 104W: 23: All (See Lease Map attached)

25. Distance to Nearest Mineral Lease Line: 412 ft

26. Total Acres in Lease: 970

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: Evaporate and Backfill

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
CONDUCTOR	20	14		0	40	80	40	0
SURF	12+1/4	9+5/8	36	0	500	290	500	0
1ST	8+3/4	7+0/0	23	0	5,751	500	5,750	0
1ST LINER	6+1/8	4+1/2	11.6	5751	9,249	0	0	

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

33. Comments BAYLESS PLAN IS TO USE A KCL POLYMER MUD SYSTEM (SALT>15,000 PPM). NO OIL BASED MUDS WILL BE USED. A CLOSED LOOP DRILLING SYSTEM WILL BE USED.THE 4.5 " PRODUCTION LINER WILL NOT BE CEMENTED. ROTATING HEAD ITS OPTIONAL * An archeological cultural and historical survey of the area has been performed on February 06, 2012and submitted separately by the Grand River Institute to the BLM White River office.

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: HABIB GUERRERO

Title: OPERATIONS ENGINEER

Date: 4/6/2012

Email: hguerrero@rlbayless.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: 6/22/2012

API NUMBER

05 103 11932 00

Permit Number: _____

Expiration Date: 6/21/2014

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) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

2) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 000 FEET DEEP.

Before placing oil/salt based muds in a pit, operator must file and receive prior approval of a Pit Permit, Form 15. COGCC regulations regarding pit permits can be found in Rule 903.a.(3). PIT PERMITTING/REPORTING REQUIREMENTS.

Attachment Check List

Att Doc Num	Name
1533140	EXCEPTION LOC REQUEST
1533227	WAIVERS
1533229	EXCEPTION LOC REQUEST
400257194	FORM 2 SUBMITTED
400268542	FED. DRILLING PERMIT
400268546	PROPOSED BMPs
400268550	MINERAL LEASE MAP
400268553	DEVIATED DRILLING PLAN
400268554	LOCATION PICTURES
400269139	DIRECTIONAL DATA
400269143	WELL LOCATION PLAT

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	off hold--attached revised exc. loc. req. ltr. No LGD or public comments. Final Review--passed.	6/20/2012 7:20:55 AM
Permit	rec'd email waiver from BLM for proposed well; need exc. loc. req. ltr. to mention BLM as offset min. owner and waiver attached.	6/19/2012 3:36:23 PM
Permit	on hold pending receipt of waiver from BLM	5/25/2012 3:36:41 PM
Permit	attached exc.loc. request ltr.	5/25/2012 7:44:28 AM
Permit	per oper.'s instructions changed distance to nearest min. lease to 412' (distance at top PZ to boundary of BLM lease) and changed dist. to surface prop. line to 2602' (nearest boundary of BLM surface). corrected min. lease description. requires exception location request ltr. and waiver from BLM	5/21/2012 11:48:31 AM
Permit	disagree w/ dist. to nearest min. lease (should be 412') and cultural distances.	5/17/2012 8:04:20 AM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Final Reclamation	<p>The following plan describe surface reclamation actions for vegetation and soil rehabilitation, scarification and reseeding of the pads "apron" (the area surrounding the pad site, including the cut and fill, topsoil and excess materials stockpile sites, etc.). The BLM will be contacted prior to commencement of any reclamation operations. The direction and specific work orders spelled out in this plan will apply to the existing well pad on the cited well. The overall goals and objectives of this plan for the Weaver Ridge 14-15H well pad site and any additional infrastructure associated with this well are to a)Minimize the surface impacts to other resources and authorized uses in the vicinity of the well pad site, b)Restore the landform and natural process to re-establish and sustain a pre-disturbance productivity of the site, consistent with the 1997 White River Resource Management Plan (WRRMP), c) Apply all Conditions of Approval (COA)s which are outlined in the Record of Decision/EA associated with this well and also consider additional applicable BLM's Conditions of Approval (WRRMP, Appendix 2) as a baseline to minimize surface impacts and enhance subsequent reclamation actions, and d)Apply appropriate new techniques and/or methodologies that would minimize surface disturbance and enhance reclamation success.</p> <p>This plan outlines new and additional interim and final reclamation actions for the Weaver Ridge 14-15H well pad that would need to occur to realize the objectives stated above. For more details please refer to the proposed BMP's on the attachment Tab.</p>

Total: 1 comment(s)