

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400312525

Date Received:

08/08/2012

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: Corina Santos Phone: (303)928- Fax: (303)962-6237

Email: csantos@petro-fs.com

7. Well Name: Booth Well Number: 7-26

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

9. Proposed Total Measured Depth: 7585

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 26 Twp: 7N Rng: 65W Meridian: 6

Latitude: 40.551490 Longitude: -104.628935

Footage at Surface: 518 feet FNL 2326 feet FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4893 13. County: WELD

14. GPS Data:

Date of Measurement: 03/20/2012 PDOP Reading: 1.3 Instrument Operator's Name: Brian Ritz/PFS

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

Footage at Top of Prod Zone: 2034 FNL 2018 FEL Bottom Hole: 2030 FNL 2002 FEL
Sec: 26 Twp: 7N Rng: 65W Sec: 26 Twp: 7N Rng: 65W

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: 653 ft

18. Distance to nearest property line: 344 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 895 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 | | 80 | W2NE |
| Greenhorn | GRNHN | | 80 | W2NE |
| Niobrara | NBRR | | 80 | W2NE |
| Parkman | PRKM | | 80 | W2NE |

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):

N2, Section 26, Township 7 North, Range 65 West

25. Distance to Nearest Mineral Lease Line: 518 ft 26. Total Acres in Lease: 320

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 | 690 | 483 | 690 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 7,585 | 867 | 7,585 | 3,475 |

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: Corina Santos

Title: Regulatory Technician Date: 8/8/2012 Email: csantos@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: _____

| |
|-------------------|
| API NUMBER |
| 05 |

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400312525 | FORM 2 SUBMITTED |
| 400312709 | DRILLING PLAN |
| 400312710 | DEVIATED DRILLING PLAN |
| 400312711 | TOPO MAP |
| 400312712 | WELL LOCATION PLAT |
| 400313640 | 30 DAY NOTICE LETTER |
| 400314331 | DIRECTIONAL DATA |

Total Attach: 7 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------------------|--|
| Planning | When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources. |
| 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. |
| 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). |
| 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. |
| 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). |

Total: 7 comment(s)