

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:

400315247

Date Received:

11/02/2012

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

PluggingBond SuretyID

20080034

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: Julie L. Padilla Phone: (303)928-7128 Fax: (303)962-6237

Email: jpadilla@petro-fs.com

7. Well Name: River Bluffs Well Number: 10-13

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

9. Proposed Total Measured Depth: 7380

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 13 Twp: 6N Rng: 68W Meridian: 6

Latitude: 40.489053 Longitude: -104.949351

Footage at Surface: 1774 feet FNL/FSL FNL 1452 feet FEL/FWL FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4802 13. County: LARIMER

14. GPS Data:

Date of Measurement: 03/08/2012 PDOP Reading: 1.5 Instrument Operator's Name: Shaun Lee

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

Footage at Top of Prod Zone: FNL/FSL 1963 FSL 1954 FEL FEL Bottom Hole: FNL/FSL 1963 FSL 1954 FEL FEL
Sec: 13 Twp: 6N Rng: 68W Sec: 13 Twp: 6N Rng: 68W

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: 941 ft

18. Distance to nearest property line: 155 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2826 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	407-87	80	N2SE
Greenhorn	GRNHN		80	N2SE
Niobrara	NBRR	407-87	80	N2SE
Shannon	SNSD		80	N2SE
Sussex	SUSX		80	N2SE

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):
Section 13, Township 6 North, Range 68 West and other lands. See mineral lease map.

25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 163

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	720	504	720	0
1ST	7+7/8	4+1/2	11.6	0	7,480	884	7,480	2,800

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: Julie L. Padilla

Title: Regulatory Manager Date: 11/2/2012 Email: jpadilla@petro-fs.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: Matthew Lee Director of COGCC Date: 1/11/2013

API NUMBER
05 069 06452 00

Permit Number: _____ Expiration Date: 1/10/2015

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.

Operator must meet Water Well Testing requirements as per amended Rule 318Ae(4)

- 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU..
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Sussex. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
1699191	LEGAL/LEASE DESCRIPTION
1699224	CORRESPONDENCE
1699225	LEGAL/LEASE DESCRIPTION
1699240	MINERAL LEASE MAP
1771951	SURFACE CASING CHECK
400315247	FORM 2 SUBMITTED
400315262	DIRECTIONAL DATA
400315263	WELL LOCATION PLAT
400315264	TOPO MAP
400315265	DEVIATED DRILLING PLAN
400315267	DRILLING PLAN
400322987	30 DAY NOTICE LETTER
400324059	EXCEPTION LOC WAIVERS
400324061	EXCEPTION LOC WAIVERS
400324093	EXCEPTION LOC REQUEST

Total Attach: 15 Files

General Comments

User Group	Comment	Comment Date
Permit	Attached mineral lease map. Corrected lease description and acres as per opr. Opr wishes to add 100' to depth for adequate rathole. Final Review complete.	12/18/2012 8:35:03 AM
Permit	ON HOLD requested lease details from operator	12/10/2012 2:20:41 PM
Permit	Attached lease as per opr. Second well on pad is on hold.	12/3/2012 8:40:57 AM
Engineer	may not be deep enough for Greenhorn + rathole looks adequate for Codell + rathole	11/15/2012 12:08:53 PM
Permit	Corrected distance to mineral lease line from 1452' to 628' as per opr. Need clarification on lease.	11/7/2012 7:46:21 AM
Permit	Operator requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Request and waivers attached. Corrected spacing and notified opr.	11/6/2012 9:27:41 AM
Permit	directional data spreadsheet opens and data values correspond with template/import and deviated drilling plan. This form passed completeness.	11/4/2012 2:25:28 PM
Permit	Returned to draft. Unable to open the directional data spreadsheet.	11/2/2012 3:54:29 PM

Total: 8 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)