

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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07/10/2013

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: DeAnne Spector Phone: (303)928-7128 Fax: ()Email: dspector@petro-fs.com7. Well Name: Godby Well Number: 6-30

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

9. Proposed Total Measured Depth: 7635

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 30 Twp: 7N Rng: 65W Meridian: 6Latitude: 40.551651 Longitude: -104.708301

Footage at Surface: 671 feet FNL 2102 feet FNL/FSL FWL

11. Field Name: Wattenberg Field Number: 9075012. Ground Elevation: 4865 13. County: WELD

14. GPS Data:

Date of Measurement: 05/22/2013 PDOP Reading: 1.5 Instrument Operator's Name: Alan Hnizdo15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 1971 FNL 2057 FNL/FSL FWL 1971 FNL 2057 FWL
 Sec: 30 Twp: 7N Rng: 65W Sec: 30 Twp: 7N Rng: 65W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 237 ft18. Distance to nearest property line: 229 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1825 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	GWA
NIOBRARA	NBRR		80	GWA

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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 ☐ No23b. 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):

T7N, R65W, Sec. 30: Part of the N/2 of Sec. 30. Lease map attached.

25. Distance to Nearest Mineral Lease Line: 200 ft

26. Total Acres in Lease: 150

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	735	514	735	0
1ST	7+7/8	4+1/2	11.6	0	7635	875	7635	3500

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

33. Comments No conductor casing will be set. SHL & BHL are in legal windows, no waivers are required. SHL & BHL are both on Godby. Lease map is attached. All distances comply w/ the 600 Series for setbacks. Unit configuration is E2NW, 80 acres, Stand up.

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: DeAnne M. Spector

Title: Regulatory Analyst Date: 7/10/2013 Email: dspector@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: 8/17/2013

API NUMBER

05 123 37861 00

Permit Number: _____ Expiration Date: 8/16/2015

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.

COA Type	Description
	Operator must meet water well testing requirements per Rule 318A.
	1)Provide notice of MIRU via an electronic Form 42. 2)Comply with Rule 317.i and provide cement coverage to a minimum of 200' above the Niobrara. Verify cement coverage with a cement bond log per 317.o.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2114190	SURFACE AGRMT/SURETY
2482478	SURFACE CASING CHECK
400433474	FORM 2 SUBMITTED
400441895	PLAT
400441897	DEVIATED DRILLING PLAN
400441901	DIRECTIONAL DATA
400445135	LEASE MAP
400445944	30 DAY NOTICE LETTER

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Attached SUA. Per operator, surface descibed corresponds to the minerals shown in the attached lease map as owned by Groves, Groves, Holt, Wilmott, Godby and Collins. The surface is owned solely by Godby and includes the surface location. Ready to pass pending public comment.	7/22/2013 9:22:22 AM
Permit	Offset well in the quarter, Mile High Sheep 12-30, on 80 acre spacing is PA. Requested SUA that is cited in the 2A.	7/18/2013 3:36:07 PM
Permit	Form passes completeness.	7/12/2013 9:13:04 AM

Total: 3 comment(s)

Best Management Practices

No	BMP/COA Type	Description
1	Site Specific	<p>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.</p> <p>Spray for noxious weeds, and implement dust control, as needed.</p> <p>Operator will not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's Land.</p> <p>Construct and maintain gates where any roads used by operator, its employees, or contractors cross through fences on the leased premises.</p>
2	Planning	<p>When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.</p>
3	Storm Water/Erosion Control	<p>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.</p> <p>Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).</p>
4	Construction	<p>Remove only the minimum amount of vegetation necessary for the construction of roads and facilities.</p> <p>Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation.</p> <p>No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.</p>
5	Drilling/Completion Operations	<p>A closed-loop drilling mud system will be used to preclude the use of an earthen reserve pit. Light Sources will likewise be directed downwards and away from occupied structures where possible. Once the drilling and completion rigs leave the site, there will be no permanently installed lighting on site.</p>
6	Interim Reclamation	<p>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.</p> <p>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.</p>
7	Final Reclamation	<p>All surface restoration shall be accomplished to the satisfaction of Owner.</p> <p>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.</p> <p>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).</p>

Total: 7 comment(s)