

### **Rationalization for the Thornton Horizontal drilling pad and surface facility site**

- The Thornton Horizontal drilling pad is planned for efficient and economical development of sections 29 & 30 of 7N 66W.
- 2 mi laterals and proper planning eliminate the need for other additional pad(s) in the future to develop these minerals.
- This horizontal location is rural and outside of urban mitigation areas.
- An existing farm field entrance for the facility will be used to minimize impact on additional new Weld County access points.
- Bayswater has looked at alternate locations for the wells and facilities including six (6) possible locations; the City of Thornton site is the most optimum from which to develop the minerals.
- The Thornton horizontal well site is located on land currently occupied by dryland and owned by the city of Thornton and designated by them for such activity.
- The surrounding agricultural land and future land use have been taken into account for this project site.
- After reclamation, roughly 3.75 acres will be affected by the wells and surface facilities.
- This horizontal well surface site is located 1.75 miles north of Weld County 74, a major east-west throughway.
- The Thornton wells are planned 375' from the overhead power lines along WCR 29.
- Bayswater negotiated a new robust Surface Damage and Release Agreement with the current property owners, the City of Thornton. This Surface Use Agreement covers dust control, truck traffic, truck speeds, culverts, sound abatement and reclamation among other items. The SDRA clearly outlines and defines the areas for oil and gas development, specific to negotiations with the City of Thornton.
- The horizontal drilling pad is situated greater than 500' from all buildings units.
- Bayswater has minimized the building unit owners to one (1) within the buffer zone for both the facilities and the wells.
- Based upon 3D seismic review, the laterals should be drilled east to west to fully develop and complete the Niobrara and Codell formations.

### **Bayswater Company Values**

- Bayswater is always honest, ethical, and open in our dealings with others.
- We strive to conduct our work without accident, without harm to people, and without damage to the environment.
- The development of oil and natural gas resources and the stewardship of a pristine, sustainable environment are not mutually exclusive. We will be leaders in demonstrating that both are achievable.
- We are in business, in Colorado, for the long term.