



Bayswater rationalization for the Hester Farms II 31-H Horizontal drilling pad and site.

- The Hester Farms II 31-H Horizontal drilling pad is planned for efficient and economical development of the North half of Sections 31 & 32-7N-66W
- 2.0 mile laterals are planned such that an additional pad is not necessary in the future
- This location is rural and outside of urban mitigation areas
- Bayswater has good relations with the property owner of the Hester Farms II site
- Engineered sound walls will be utilized if necessary to protect the surrounding building units during operations
- The surface facilities location has been planned to be to the farthest distance from the nearest building unit while maintaining the 500' setback required per the COGCC rules
- Bayswater has Surface Damage and Release Agreement with the current property owner which covers dust control, truck traffic, and sound walls among other items
- Bayswater looked at other locations to drill the proposed wells but the selected site was preferred due to already established oil and gas operations and no disruption to any pivot irrigation system (which would have been the case at the Eastern side of the proposed 2.0 mile laterals.
- The surface site access point is located on WCR 76 0.75 miles West of WCR 27 (1.25 miles East of WCR 23). Weld County has granted an access permit to Bayswater at this location.

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.