

FORM
2

Rev
12/20

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:

402741361

Date Received:

07/13/2021

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

Amend ☐

Refile ☒

Sidetrack ☐

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER: _____

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Well Name: Dotsero Well Number: 4
Name of Operator: BAYSWATER EXPLORATION & PRODUCTION LLC COGCC Operator Number: 10261
Address: 730 17TH ST STE 500
City: DENVER State: CO Zip: 80202
Contact Name: Mark Brown Phone: (720)3508858 Fax: (303)8932508
Email: mbrown@bayswater.us

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20080034

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NESE Sec: 6 Twp: 7N Rng: 64W Meridian: 6
Footage at Surface: 1551 Feet FSL 475 Feet FEL
Latitude: 40.598900 Longitude: -104.584550
GPS Data: GPS Quality Value: 1.1 Type of GPS Quality Value: PDOP Date of Measurement: 02/03/2018
Ground Elevation: 4989
Field Name: WATTENBERG Field Number: 90750

Well Plan: is ☐ Directional ☒ Horizontal (highly deviated) ☐ Vertical

If Well plan is Directional or Horizontal attach Deviated Drilling Plan and Directional Data.

Subsurface Locations

Top of Productive Zone (TPZ)

Sec: 6 Twp: 7N Rng: 64W Footage at TPZ: 2260 FSL 470 FEL
Measured Depth of TPZ: 7699 True Vertical Depth of TPZ: 7307 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)

Sec: 1 Twp: 7N Rng: 65W Footage at BPZ: 2260 FSL 470 FWL
Measured Depth of BPZ: 17097 True Vertical Depth of BPZ: 7352 FNL/FSL FEL/FWL

Bottom Hole Location (BHL)

Sec: 1 Twp: 7N Rng: 65W Footage at BHL: 2260 FSL 470 FWL
FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATION

County: WELDMunicipality: N/A

Is the Surface Location of this Well in an area designated as one of State interest and subject to the requirements of § 24-65.1-108 C.R.S.? Yes

Per § 34-60-106(1)(f)(I)(A) C.R.S., the following questions pertain to the Relevant Local Government approval of the siting of the proposed Oil and Gas Location.

SB 19-181 provides that when "applying for a permit to drill," operators must include proof that they sought a local government siting permit and the disposition of that permit application, or that the local government does not have siting regulations. § 34-60-106(1)(f)(I)(A) C.R.S.

Does the Relevant Local Government regulate the siting of Oil and Gas Locations, with respect to this Location? ☒ Yes ☐ No

☒ If yes, in checking this box, I hereby certify that an application has been filed with the local government with jurisdiction to approve the siting of the proposed oil and gas location.

The disposition of the application filed with the Relevant Local Government is: Approved Date of Final Disposition: 09/26/2019

Comments: 1041WOGLA19-0056 Submitted 4/16/2019, Approved 9/26/2019

SURFACE AND MINERAL OWNERSHIP AT WELL'S OIL & GAS LOCATION

Surface Owner of the land at this Well's Oil and Gas Location: ☒ Fee ☐ State ☐ Federal ☐ Indian

Mineral Owner beneath this Well's Oil and Gas Location: ☒ Fee ☐ State ☐ Federal ☐ Indian

Surface Owner Protection Financial Assurance (if applicable): _____ Surety ID Number (if applicable): _____

MINERALS DEVELOPED BY WELL

The ownership of all the minerals that will be developed by this Well is (check all that apply):

- ☒ Fee
☐ State
☐ Federal
☐ Indian
☐ N/A

LEASE INFORMATION

Using standard QtrQtr, Section, Township, Range format describe one entire mineral lease as follows:

* If this Well is within a unit, describe a lease that will be developed by the Well.

* If this Well is not subject to a unit, describe the lease that will be produced by the Well.

(Attach a Lease Map or Lease Description or Lease if necessary.)

T7N-R64W Section 6: Lot 1, Lot 2, S/2NE/4, SE/4, less and except 5.12 acres

Total Acres in Described Lease: 315 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 3624 Feet
Building Unit: 3593 Feet
Public Road: 465 Feet
Above Ground Utility: 449 Feet
Railroad: 5280 Feet

INSTRUCTIONS:

- Specify all distances per Rule 308.b.(1).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit – as defined in 100 Series Rules.

Property Line: 475 Feet

OBJECTIVE FORMATIONS

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| CODELL | CODL | 407-2617 | 1280 | SEC 6 & 1: ALL |

Federal or State Unit Name (if appl):

Unit Number:

SUBSURFACE MINERAL SETBACKS

Enter 5280 for distance greater than 1 mile.

Is this Well within a unit? Yes

If YES:

Enter the minimum distance from the Completed Zone of this Well to the Unit Boundary: 470 Feet

Enter the minimum distance from the Completed Zone of this Well to the Completed Zone of an offset Well within the same unit permitted or completed in the same formation: 899 Feet

If NO:

Enter the minimum distance from the Completed Zone of this Well to the Lease Line of the described lease: Feet

Enter the minimum distance from the Completed Zone of this Well to the Completed Zone of an offset Well producing from the same lease and permitted or completed in the same formation: Feet

Exception Location

☐ If this Well requires the approval of a Rule 401.c Exception Location, enter the Rule or spacing order number and attach the Exception Location Request and Waivers.

SPACING & FORMATIONS COMMENTS

T7N R64W: Section 6 ALL
T7N R65W: Section 1 ALL

DRILLING PROGRAM

Proposed Total Measured Depth: 17097 Feet TVD at Proposed Total Measured Depth 7352 Feet

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:

Enter distance if less than or equal to 1,500 feet: 873 Feet ☐ No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than

or equal to 100 ppm? No If yes, attach an H₂S Drilling Plan unless a plan was already submitted with the Form 2A per Rule 304.c.(10).

Will there be hydraulic fracture treatment at a depth less than 2,000 feet in this well? No

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? Yes

BOP Equipment Type: ☒ Annular Preventor ☒ Double Ram ☒ Rotating Head ☐ None

Beneficial reuse or land application plan submitted?

Reuse Facility ID: or Document Number:

| <u>Casing Type</u> | <u>Size of Hole</u> | <u>Size of Casing</u> | <u>Grade</u> | <u>Wt/Ft</u> | <u>Csg/Liner Top</u> | <u>Setting Depth</u> | <u>Sacks Cmt</u> | <u>Cmt Btm</u> | <u>Cmt Top</u> |
|--------------------|---------------------|-----------------------|--------------|--------------|----------------------|----------------------|------------------|----------------|----------------|
| CONDUCTOR | 26 | 16 | N/A | 43 | 0 | 80 | 400 | 80 | 0 |
| SURF | 13+1/2 | 9+5/8 | J-55 | 36 | 0 | 1500 | 660 | 1500 | 0 |
| 1ST | 8+1/2 | 5+1/2 | HCP110 | 20 | 0 | 17097 | 2326 | 17097 | 2500 |

POTENTIAL FLOW AND CONFINING FORMATIONS

| <u>Zone Type</u> | <u>Formation /Hazard</u> | <u>Top M.D.</u> | <u>Top T.V.D.</u> | <u>Bottom M.D.</u> | <u>Bottom T.V.D.</u> | <u>TDS (mg/L)</u> | <u>Data Source</u> | <u>Comment</u> |
|------------------|--------------------------|-----------------|-------------------|--------------------|----------------------|-------------------|--------------------|---|
| Groundwater | Quaternary Alluvium | 0 | 0 | 10 | 10 | 501-1000 | Groundwater Sample | DWR Receipt #0273312 |
| Groundwater | Laramie/Fox Hills | 10 | 10 | 776 | 776 | 0-500 | Other | https://pubs.usgs.gov/sir/2014/5051/pdf/sir2014-5051.pdf |
| Groundwater | Upper Pierre | 776 | 776 | 1800 | 1769 | 1001-10000 | Other | https://cogcc.state.co.us/documents/library/AreaReports/DenverBasin/UPWQ_Report_Final_11_07_17.pdf |
| Confining Layer | Pierre Shale | 1800 | 1769 | 3900 | 3879 | | | |
| Hydrocarbon | Parkman | 3900 | 3879 | 4300 | 4251 | | | |
| Hydrocarbon | Sussex | 4450 | 4405 | 4650 | 4593 | | | |
| Hydrocarbon | Shannon | 5000 | 4971 | 5375 | 5318 | | | |
| Confining Layer | Pierre Shale | 5375 | 5318 | 7100 | 7015 | | | |
| Confining Layer | Sharon Springs | 7100 | 7015 | 7150 | 7045 | | | |
| Hydrocarbon | Niobrara | 7150 | 7045 | 7600 | 7289 | | | |
| Confining Layer | Ft Hays | 7600 | 7289 | 14600 | 7340 | | | Not Productive |
| Hydrocarbon | Codell | 14600 | 7340 | 17097 | 7352 | | | The TVD of the deepest hydrocarbon zone is the bottom of the well and not the bottom of the formation. |

| | |
|----------|--|
| Comments | <p> This Form 2 is being submitted as a refile of expiring API #05-123-48726. Bayswater has acquired these well permits from Confluence. Signed letter from Confluence in support for Bayswater is attached as correspondence. </p> <p> There have been no new buildings constructed and no changes to the surrounding land use. The well site has not been constructed. There are also no changes to the Surface & Minerals, Cultural Setbacks, or Spacing & Formations. All previously submitted notices, Surface Use Agreements, and letters are also still valid. </p> <p> SHL will not change; TPZ and BHL are being respaced across 6-7N-64W & 1-7N-65W within the currently approved DSU boundaries of Order 407-2617. </p> <p> The Dotsero 1 (API: 05-123-48729) is using the API and former surface location of the Dotsero 6-8-2L. The Dotsero 2 (API: 05-123-48725) is using the API and former surface location of the Dotsero 6-4-4L. The Dotsero 3 (API: 05-123-48724) is using the API and former surface location of the Dotsero 6-9-1L. The Dotsero 4 (API: 05-123-48726) is using the API and former surface location of the Dotsero 6-9-3L. The Dotsero 5 (API: 05-123-48734) is using the API and former surface location of the Dotsero 6-10-2L. The Dotsero 6 (API: 05-123-48723) is using the API and former surface location of the Dotsero 6-11-1L. </p> <p> The nearest well in unit per anti-collision is updated to the Dotsero 5. The nearest outside operated well per anti-collision is updated to ANTHOLZ PC AB 06-16 (API #05-123-32110) PA Status @ 873'. </p> |
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This application is in a Comprehensive Area Plan _____ No _____ CAP #: _____

Oil and Gas Development Plan Name _____ OGDID ID#: _____

Location ID: 459147

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____

Print Name: Jordan Lukasik

Title: Permitting Technician

Date: 7/13/2021

Email: regulatory@ascentgeomatics.c

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, applicable orders, and SB 19-181 and is hereby approved.

COGCC Approved: _____

Director of COGCC

Date: 8/16/2021

Expiration Date: 08/15/2024

API NUMBER

05 123 48726 00

Conditions Of Approval

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.

Condition of Approval

COA Type

Description

| | |
|--------------------------------|---|
| Wildlife | This oil and gas location is within a CPW mapped Pronghorn Winter Concentration Area High Priority Habitat. Drilling and completion activities should not occur from January 1 to April 30. If drilling and completion activities must occur from January 1 to April 30, Operator will contact CPW to develop measures to avoid, minimize, and mitigate impacts to wildlife. |
| Drilling/Completion Operations | 1) Submit Form 42 electronically to COGCC 2 business days prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 2 business days spud notice for all subsequent wells drilled on the pad. 2) Comply with Rule 408.j and provide cement coverage from the end of production casing to a minimum of 500' above Niobrara. Verify coverage with cement bond log. 3) Oil-based drilling fluid is to be used only after all aquifers are covered. |
| Drilling/Completion Operations | Per COGCC Order 1-232, Bradenhead tests shall be performed according to the following schedule and Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release, prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 2) If a delayed completion, 6 months after rig release and prior to stimulation. If any pressure greater than 200 psi, must contact COGCC engineer prior to stimulation. 3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance. |
| Construction | If location is not constructed by 2A expiration (11/18/2021), a refile Form 2A must be approved prior to location construction. |
| 4 COAs | |

Best Management Practices

| No | BMP/COA Type | Description |
|-----------|--------------------------------|--|
| 1 | Drilling/Completion Operations | Blowout Prevention Equipment ("BOPE"): A double ram and annular preventer will be used during drilling. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid. |
| 2 | Drilling/Completion Operations | Bradenhead Monitoring: Operator acknowledges and will comply with COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012. |
| 3 | Drilling/Completion Operations | Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling. |
| 4 | Drilling/Completion Operations | Alternative Logging Program - One of the first wells drilled on the pad will be logged with Open Hole Resistivity Log and Gamma Ray Log from the kick-off point to into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measuredwhile- drilling gamma-ray log. The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without openhole logs shall clearly state "Alternative Logging Program - No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which openhole logs were run." |

Total: 4 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.
http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.
<http://cogcc.state.co.us/documents/reg/Policies/PolicyGwaBradenheadMonitoringFinal.pdf>

Attachment List

| Att Doc Num | Name |
|--------------------|----------------------------|
| 402741361 | FORM 2 SUBMITTED |
| 402743475 | OffsetWellEvaluations Data |
| 402743571 | DIRECTIONAL DATA |
| 402743573 | WELL LOCATION PLAT |
| 402745392 | CORRESPONDENCE |
| 402745755 | DEVIATED DRILLING PLAN |
| 402781196 | OFFSET WELL EVALUATION |

Total Attach: 7 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|---------------------|
| OGLA | OGLA review is complete. | 08/11/2021 |
| Permit | Final Review Completed. | 08/03/2021 |
| Engineer | Offset Wells Evaluated | 07/27/2021 |
| Permit | -Received consent from the operator to add/ change the following: 1. Added the refile unbuilt location COA -Passed Permit Review | 07/26/2021 |
| Permit | Waiting on the operator's response about the following: 1.Adding the refile unbuilt location COA | 07/19/2021 |

Total: 5 comment(s)