

FORM

2

Rev
05/22

State of Colorado

Energy & Carbon Management Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Document Number:

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Date Received:

08/31/2023

APPLICATION FOR PERMIT TO

☒ Drill
 ☐ Deepen
 ☐ Re-enter
 ☐ Recomplete and Operate
Amend ☐
 TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER: _____
Refile ☐
 ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐
Sidetrack ☐

Well Name: Onyx Federal

Well Number: 7

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: Lauren Walsh

Phone: (720)881 4502

Fax: ()

Email: lwalsh@bayswater.us

FINANCIAL ASSURANCE FOR PLUGGING, ABANDONMENT, AND RECLAMATION

COGCC Financial Assurance

☒ The Operator has provided or will provide Financial Assurance to the COGCC for this Well.

Surety ID Number (if applicable): 20080034

Federal Financial Assurance

☐ In checking this box, the Operator certifies that it has provided or will provide at least this amount of Financial Assurance to the federal government for this Well. (Per Rule702.a.)

Amount of Federal Financial Assurance \$ _____

WELL LOCATION INFORMATION

Surface Location

QtrQtr: NWNW Sec: 26 Twp: 7N Rng: 66W Meridian: 6

 Footage at Surface: 580 Feet FNL/FSL 254 Feet FEL/FWL
 FNL FWL

Latitude: 40.551779 Longitude: -104.753351

GPS Data: GPS Quality Value: 1.4 Type of GPS Quality Value: PDOP

Date of Measurement: 02/19/2022

Ground Elevation: 4894

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: 26 Twp: 7N Rng: 66W

Footage at TPZ: 2581 FSL 2503 FEL

Measured Depth of TPZ: 8361

True Vertical Depth of TPZ: 7247 FNL/FSL FEL/FWL

Base of Productive Zone (BPZ)Sec: 30 Twp: 7N Rng: 65WFootage at BPZ: 2494 FSL 150 FELMeasured Depth of BPZ: 21441True Vertical Depth of BPZ: 7177 FNL/FSL FEL/FWL**Bottom Hole Location (BHL)**Sec: 30 Twp: 7N Rng: 65WFootage at BHL: 2494 FSL 150 FEL

FNL/FSL FEL/FWL

LOCAL GOVERNMENT PERMITTING INFORMATIONCounty: WELD Municipality: 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: 02/15/2023Comments: 1041WOGLA22-0017 submitted 10/18/2022, approved 2/15/2023.**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 ☐ IndianMineral Owner beneath this Well's Oil and Gas Location: ☒ Fee ☐ State ☐ Federal ☐ Indian

Surface Owner Protection Bond (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.)

Please see attached lease.Total Acres in Described Lease: 169 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

SAFETY SETBACK INFORMATION

Distance from Well to nearest:

Building: 720 Feet
Building Unit: 909 Feet
Public Road: 246 Feet
Above Ground Utility: 578 Feet
Railroad: 5280 Feet
Property Line: 254 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.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	407-3481	1640	Township 7 North, Range 66 West, 6th P.M. Section 25: All Section 26: E2, NENW Township 7 North, Range 65 West, 6th P.M. Section 30: 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: 150 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: 440 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

DRILLING PROGRAM

Proposed Total Measured Depth: 21441 Feet

TVD at Proposed Total Measured Depth 7177 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: 108 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: _____

CASING PROGRAM

<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	42	0	80	400	80	0
SURF	13+1/2	9+5/8	J55	36	0	1500	378	1500	0
1ST	8+1/2	5+1/2	HCP110	20	0	21441	3331	21441	1500

☐ Conductor Casing is NOT planned

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>
Confining Layer	Quaternary Alluvium	0	0	52	52			
Groundwater	Laramie/Fox Hills	52	52	468	468	1001-10000	Other	CSU - Domestic Water Analysis Report - Larry Moore Well - 176559
Groundwater	Upper Pierre	468	468	1635	1634	1001-10000	Other	Water Quality and the Presence and Origin of Methane in the Upper Pierre Aquifer in Northeastern Weld County, Morgan County and Logan County, Colorado COGCC Project Number 2141 October 2017
Confining Layer	Pierre Shale	1635	1634	3986	3931			
Hydrocarbon	Parkman	3986	3931	4500	4317			
Confining Layer	Pierre Shale	4500	4317	4629	4436			
Hydrocarbon	Sussex	4629	4436	4825	4615			
Confining Layer	Pierre Shale	4825	4615	5140	4910			
Hydrocarbon	Shannon	5140	4910	5643	5373			
Confining Layer	Pierre Shale	5643	5373	7463	7063			
Subsurface Hazard	Sharon Springs	7463	7063	7504	7103			
Hydrocarbon	Niobrara	7504	7103	21441	7177			The TVD of the deepest hydrocarbon zone is the bottom of the well and not the bottom of the formation. The formation is not planned to be exited.

OPERATOR COMMENTS AND SUBMITTAL

Comments

The nearest well in unit per 2-D calculation is the Onyx Federal 8 @ 440'.
 The nearest outside operated well per 2-D vertical calculation is the Leffler 26T-421 (API: 05-123-36638) SI Status @ 108'. 408.u is required.
 Leffler 26Q-421 (API: 05-123-34763) SI Status @ 117'. 408.u is required.

This application is in a Comprehensive Area Plan No CAP #: _____
 Oil and Gas Development Plan Name Onyx Pad OGDP ID#: 484133
 Location ID: 484898

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

Signed: _____ Print Name: Justin Garrett

Title: Sr. Regulatory Analyst Date: 8/31/2023 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: 9/8/2023
Expiration Date: 07/11/2026

<p>API NUMBER</p> <p>05 123 52203 00</p>

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.

COA Type	Description
Drilling/Completion Operations	Operator will log two (2) wells during the first rig occupation with open-hole resistivity log with gamma-ray log from the kick-off point into the surface casing for the two stratigraphically deepest wells on each side of the pad.
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 ECMC engineer prior to stimulation. 2) If a delayed completion, a second test is required between 6-9 months, or if there is pressure above 200 psi, after rig release and prior to stimulation. If any pressure greater than 200 psi, must contact ECMC engineer prior to stimulation. 3) A post-production test within 60 days after first sales, as reported on the Form 10, Certificate of Clearance.
Drilling/Completion Operations	1) Submit Form 42 electronically to ECMC 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	Operator acknowledges the proximity of the following listed wells: Operator agrees to: provide mitigation option 1 or 2 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OFFSET MITIGATION COMPLETED") for the remediated wells, referencing the API number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well. Wagg 25-22 (API NO 123-24137)
4 COAs	

Best Management Practices

No	BMP/COA Type	Description
1	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 measured-while-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 open hole 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 open hole logs were run.
2	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.
3	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.
4	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.

Total: 4 comment(s)

Attachment List

Att Doc Num	Name
403351697	FORM 2 SUBMITTED
403476475	STIMULATION SETBACK CONSENT
403476477	OIL & GAS LEASE
403476478	WELL LOCATION PLAT
403497071	OffsetWellEvaluations Data
403513403	DEVIATED DRILLING PLAN
403517625	DIRECTIONAL DATA

Total Attach: 7 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed.	09/08/2023
Permit	Permit Review Complete	09/06/2023
Engineer	Offset Wells Evaluated.	09/01/2023
Permit	Return to DRAFT - per operator request	08/31/2023
Permit	Return to DRAFT - per operator request	08/30/2023
Permit	Emailed operator for the following: - Confirm revising TPZ MD to match attached Drilling Plan - Correct Drilling Plan and Directional Data Return to DRAFT - per operator request	08/25/2023
OGLA	The Commission approved OGDG #484133 on July 12, 2023 for the Oil and Gas Location related to this Form 2. OGLA task passed.	08/16/2023

Total: 7 comment(s)