

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION)
OF BAYSWATER EXPLORATION &)
PRODUCTION, LLC FOR AN ORDER)
POOLING NONCONSENTING INTERESTS)
IN THE CODELL AND NIOBRARA)
FORMATIONS COVERING CERTAIN)
LANDS IN TOWNSHIP 7 NORTH, RANGE)
67 WEST, WELD COUNTY, COLORADO.)

Cause No. _____

Docket No. _____

APPLICATION

Bayswater Exploration & Production, LLC ("Bayswater" or "Applicant"), by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission" or "COGCC") for an order pooling all interests in the approximate 160-acre drilling and spacing unit to be established for NW¼ of Section 25, Township 7 North, Range 67 West, 6th P.M., for the development and production from the Codell and Niobrara Formations. In support thereof, the Applicant states as follows:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado.

2. Applicant owns a substantial leasehold interest in the following lands:

Township 7 North, Range 67 West
Section 25: NW¼

These lands are hereinafter referred to as the "Application Lands."

3. On August 8, 2011, the Commission adopted Rule 318A(I), which, among other things established spacing units of wells drilled to any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. Rule 318A(I).a(4)C. provides that, when completing a well in the Greater Wattenberg Area to an unspaced formation, the operator shall designate a drilling and spacing unit not smaller than a governmental quarter-quarter section if such well is proposed to be located greater than 460 feet from the quarter-quarter section boundary in which it is located. If a well is proposed to be located less than 460 feet from the governmental quarter-quarter section boundary, a wellbore spacing unit for such well shall be comprised of the governmental quarter-quarter sections located less than four hundred sixty (460) feet from the wellbore regardless of section or quarter section lines. Pursuant to Rule 318A(I).k, Rule 318A(I) supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of the Greater Wattenberg Area wells.

4. The Application Lands are located within the area governed by the Greater Wattenberg Area Special Well Location Rule, Rule 318A(I) of the Commission rules. The Application Lands are presently unspaced with respect to the Codell and Niobrara Formations, which is a common source of supply underlying said lands.

5. An Application to establish approximately one (1) 160-acre drilling and spacing unit in the Codell and Niobrara Formations in the Application Lands was filed on December 13, 2012, simultaneous with this Application. Contingent upon approval of the drilling and spacing application, Applicant has plans to drill upon such drilling and spacing unit the following direction wells all in NW¼ of Section 25, Township 7 North Range 67 West, 6th P.M.:

The Casa Loma 3-25 well a surface location of 516' FNL, 198' FEL

and a bottomhole location of 658' FNL, 1965' FWL.

The Casa Loma 4-25 well with a surface location of 527' FNL, 186' FEL and a bottomhole location of 657' FNL, 655' FWL.

The Casa Loma 5-25 well with a surface location of 713' FNL, 266' FEL and a bottomhole location of 1972' FNL, 656' FWL.

The Casa Loma 6-25 well with a surface location of 679' FNL, 232' FEL and a bottomhole location of 1973' FNL, 1968' FWL.

The Casa Loma 18-25 well with a surface location of 688' FNL, 220' FEL and a bottomhole location of 1315' FNL, 1311' FWL.

(hereinafter, the "Wells"). The above described directional Wells are designed to test and produce oil, gas and associated hydrocarbons from the Codell and Niobrara Formations underlying the Application Lands.

6. Pursuant to the relevant provisions of § 34-60-116(6) & (7), C.R.S., and COGCC Rule 530, Applicant seeks an order pooling all interests in the Application Lands for the development and operation of the Codell and Niobrara Formations.

7. Applicant requests that the pooling order entered as a result of this Application be made effective as of the date of this Application, or the date that the costs specified in § 34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of a Codell and Niobrara Formation well on the Application Lands, whichever is earlier.

8. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at § 34-60-101, *et seq.*, C.R.S., and the Commission Rules.

9. The names and addresses of the interested parties (persons who own an interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) are attached hereto and marked Exhibit A. Applicant certifies that copies of this Application will be served on all interested parties to be pooled within seven (7) days of the date hereof, as required by Commission Rule 507.b(2), and that at least thirty (30) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the respective wells, and will be provided with the information required by Rule 530.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing this Commission enter its order:

A. Pooling all interests in the Application Lands, for the development and operation of the Codell and Niobrara Formations.

B. Providing that the pooling order is made effective as of the date of this Application, or the date that the costs specified in § 34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of a Codell and Niobrara Formations well on the Application Lands, whichever is earlier.

C. Providing that the interests of any owners, with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the authorized well, are pooled by operation of statute, pursuant to § 34-60-116(7), C.R.S., and made subject to the cost recovery provisions thereof.

D. For such other findings and orders as the Commission may deem proper or advisable in the premises.

Dated this 13th day of December, 2012.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

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Welborn Sullivan Meck & Tooley, P.C.
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VERIFICATION

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

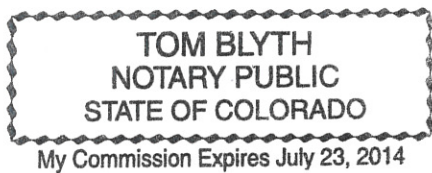
Ben Schuessler, Landman with Bayswater Exploration & Production, LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

BAYSWATER EXPLORATION & PRODUCTION,
LLC

Ben Schuessler, Landman

Subscribed and sworn to before me this 13 day of December, 2012 by Ben Schuessler, Landman for Bayswater Exploration & Production, LLC.

Witness my hand and official seal.



Notary Public

My Commission Expires: 7/23/2017

EXHIBIT A

INTERESTED PARTIES

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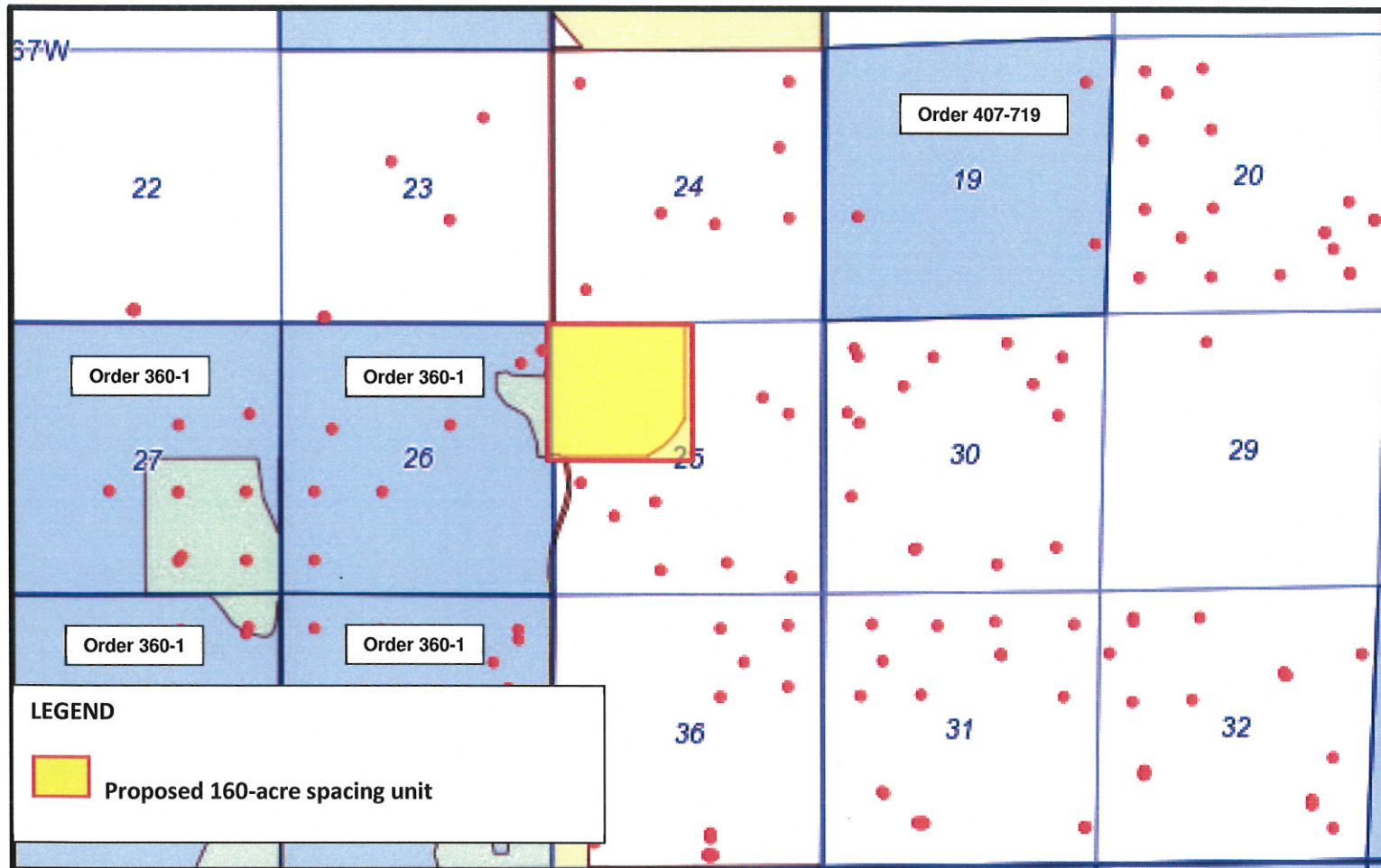
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Bayswater Exploration & Production, LLC
Section 25, Township 7 North, Range 67 West, 6th P.M.
Proposed 160-acre Drilling and Spacing Unit



BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)
BAYSWATER EXPLORATION & PRODUCTION,)
LLC FOR AN ORDER ESTABLISHING ONE)
160-ACRE DRILLING AND SPACING UNIT AND)
ESTABLISHING EXISTING WELL LOCATION)
RULES APPLICABLE TO THE DRILLING AND)
PRODUCING OF WELLS FROM THE CODELL)
AND NIOBRARA FORMATIONS COVERING)
CERTAIN LANDS IN TOWNSHIP 7 NORTH,)
RANGE 67 WEST, WELD COUNTY,)
COLORADO.)

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AFFIDAVIT OF MAILING

STATE OF COLORADO §
CITY AND COUNTY OF DENVER §

I, Chelsey J. Russell, of lawful age, and being first duly sworn upon my oath, state and declare:

That I am the attorney for Bayswater Exploration & Production, LLC and that on or before December 19th, 2012, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Chelsey J. Russell
Chelsey J. Russell

Subscribed and sworn to before me December 19, 2012.

Witness my hand and official seal.



Melissa A. Morman
Notary Public
My commission expires: 8/29/13