

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Document Number:

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Date Received:

04/04/2012

PluggingBond SuretyID

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE COMMINGLE

Refiling

Sidetrack

3. Name of Operator: BAYLESS PRODUCER LLC* ROBERT L

4. COGCC Operator Number: 6720

5. Address: 621 17TH ST STE 2300

City: DENVER State: CO Zip: 80293

6. Contact Name: Habib Guerrero Phone: (505)3262659 Fax: (505)3266911

Email: hguerrero@rlbayless.com

7. Well Name: WEAVER RIDGE Well Number: 23-7H

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 8754

WELL LOCATION INFORMATION

10. QtrQtr: SWNE Sec: 23 Twp: 1S Rng: 104W Meridian: 6

Latitude: 39.947501 Longitude: -109.034681

Footage at Surface: 2356 feet FNL 2278 feet FEL

11. Field Name: BANTA RIDGE Field Number: 5200

12. Ground Elevation: 6800 13. County: RIO BLANCO

14. GPS Data:

Date of Measurement: 12/14/2011 PDOP Reading: 1.8 Instrument Operator's Name: P. HAWKES

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____
1924 FNL 1601 FEL 299 FNL 954 FWL
Sec: 23 Twp: 1S Rng: 104 Sec: 24 Twp: 1S Rng: 104
W W

16. Is location in a high density area? (Rule 603b)? Yes No

17. Distance to the nearest building, public road, above ground utility or railroad: 5280 ft

18. Distance to nearest property line: 2278 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 320 ft

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
MANCOS B	MNCSB			

21. Mineral Ownership: Fee State Federal Indian Lease #: 58705

22. Surface Ownership: Fee State Federal Indian

23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#:

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No

23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):
 T1S R104W: 22: LOTS 1-4, EXCL MS 14149; 23: LOT 1, N2, N2SW, SESW, SE; 27: LOTS 1-4; COC 58704: SEC. 13: S/2,NE/4, SEC. 14: S/2, SEC. 24: NW/4. (SEE LEASE MAP ATTACHED, EXHIBIT 4A)

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 978

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? Yes No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No

31. Mud disposal: Offsite Onsite **If 28, 29, or 30 are "Yes" a pit permit may be required.**

Method: Land Farming Land Spreading Disposal Facility Other: EVAPORATE AND

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	20	14		0	40	80	40	0
SURF	12+1/4	9+5/8	36	0	500	290	500	0
1ST	8+3/4	7	23	0	5,750	500	5,750	0
1ST LINER	6+1/8	4+1/2	11.6	5750	8,754	0	0	

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None

33. Comments THE SUBJECT WELL WILL BE DRILLED FROM THE PREVIOUSLY DISTURBED GROUND OF THE EXISTING WEAVER RIDGE 23-10 WELLPAD. BAYLESS PLAN IS TO USE A KCL POLYMER MUD SYSTEM (SALT>15,000 PPM). NO OIL BASED MUDS WILL BE USED. A CLOSED LOOP DRILLING SYSTEM WILL BE USED. THE 4.5 " PRODUCTION LINER WILL NOT BE CEMENTED. ROTATING HEAD ITS OPTIONAL * An archeological cultural and historical survey of the area has been performed on February 06, 2012 and submitted separately by the Grand River Institute to the BLM White River office.

34. Location ID: 316503

35. Is this application in a Comprehensive Drilling Plan ? Yes No

36. Is this application part of submitted Oil and Gas Location Assessment ? Yes No

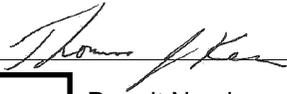
I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: HABIB GUERRERO

Title: OPERATIONS ENGINEER Date: 4/4/2012 Email: HGUERRERO@RLBAYLESS.

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 and applicable orders and is hereby approved.

COGCC Approved:  Director of COGCC Date: 6/22/2012

API NUMBER Permit Number: _____ Expiration Date: 6/21/2014
 05 103 11933 00

CONDITIONS OF APPROVAL, IF ANY: _____

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.

1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

2) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 000 FEET DEEP.

Before placing oil/salt based muds in a pit, operator must file and receive prior approval of a Pit Permit, Form 15. COGCC regulations regarding pit permits can be found in Rule 903.a.(3). PIT PERMITTING/REPORTING REQUIREMENTS.

Attachment Check List

Att Doc Num	Name
1533111	EXCEPTION LOC REQUEST
1533227	WAIVERS
1533228	EXCEPTION LOC REQUEST
400257212	FORM 2 SUBMITTED
400268100	FED. DRILLING PERMIT
400268101	PROPOSED BMPs
400268102	MINERAL LEASE MAP
400268103	DEVIATED DRILLING PLAN
400268104	LOCATION PICTURES
400268704	WELL LOCATION PLAT
400268822	DIRECTIONAL DATA

Total Attach: 11 Files

General Comments

User Group	Comment	Comment Date
Permit	Off hold--attached revised exc. loc. req. ltr. & BLM waivers. Corrected min. lease description per attached map. No LGD or public comments. Final Review--passed.	6/20/2012 7:28:25 AM
Permit	on hold waiting on waiver from BLM	5/25/2012 3:34:51 PM
Permit	attached request for exception loc. ltr.; Bayless holds offset mineral lease. Changed dist. to nearest well to 320', distance to nearest min. lease to 0' since horiz. wellbore crosses two BLM leases, dist. to nearest cultural feature to 5280' since all are more than 1 mile from location.	5/21/2012 11:07:55 AM
Permit	Not a legal location; proposed BHL 320' from BHL of offset Bayless Mancos producer. Disagree w/ distances to nearest min. lease, nearest well, nearest cultural feature.	5/16/2012 4:13:26 PM
Permit	Operator input #34, directional template, and attached plat. This form has passed completeness.	4/6/2012 8:34:02 AM
Permit	Returned to draft. Missing 34 and directional template. Missing well location plat.	4/5/2012 6:57:26 AM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Final Reclamation	<p>The following plan describe surface reclamation actions for vegetation and soil rehabilitation, scarification and reseeding of the pads "apron" (the area surrounding the pad site, including the cut and fill, topsoil and excess materials stockpile sites, etc.). The BLM will be contacted prior to commencement of any reclamation operations. The direction and specific work orders spelled out in this plan will apply to the existing well pad on the cited well. The overall goals and objectives of this plan for the Weaver Ridge 23-7H well pad site and any additional infrastructure associated with this well are to a)Minimize the surface impacts to other resources and authorized uses in the vicinity of the well pad site, b)Restore the landform and natural process to re-establish and sustain a pre-disturbance productivity of the site, consistent with the 1997 White River Resource Management Plan (WRRMP), c) Apply all Conditions of Approval (COA)s which are outlined in the Record of Decision/EA associated with this well and also consider additional applicable BLM's Conditions of Approval (WRRMP, Appendix 2) as a baseline to minimize surface impacts and enhance subsequent reclamation actions, and d)Apply appropriate new techniques and/or methodologies that would minimize surface disturbance and enhance reclamation success.</p> <p>This plan outlines new and additional interim and final reclamation actions for the Weaver Ridge 23-7H well pad that would need to occur to realize the objectives stated above. For more details please refer to the proposed BMP's on the attachment Tab.</p>

Total: 1 comment(s)