

FORM
2

Rev
12/05

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:

400349450

Date Received:

11/23/2012

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

PluggingBond SuretyID

20080034

3. Name of Operator: BAYSWATER EXPLORATION AND PRODUCTION LLC

4. COGCC Operator Number: 10261

5. Address: 730 17TH ST STE 610

City: DENVER State: CO Zip: 80202

6. Contact Name: Jennifer Angel-Lear Phone: (303)407-1282 Fax: (720)536-3440

Email: jangellear@petro-fs.com

7. Well Name: Casa Loma Well Number: 22-25

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

9. Proposed Total Measured Depth: 8014

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 26 Twp: 7N Rng: 67W Meridian: 6

Latitude: 40.550442 Longitude: -104.851810

Footage at Surface: 701 feet ^{FNL/FSL} FNL 254 feet ^{FEL/FWL} FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4952 13. County: WELD

14. GPS Data:

Date of Measurement: 05/21/2012 PDOP Reading: 1.8 Instrument Operator's Name: Brian Ritz

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

Footage at Top of Prod Zone: ^{FNL/FSL} 2080 ^{FEL/FWL} FNL 1518 FWL Bottom Hole: ^{FNL/FSL} 2555 ^{FEL/FWL} FNL 1313 FWL
Sec: 25 Twp: 7N Rng: 67W Sec: 25 Twp: 7N Rng: 67W

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: 253 ft

18. Distance to nearest property line: 253 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 866 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.)
CODELL	CODL		160	GWA
GREENORN	GRNHN		160	GWA
NIOBRARA	NBRR		160	GWA
SHANNON	SNSD		160	GWA
SUSSEX	SUSX		160	GWA

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

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):
 NW 1/4 of Sec. 25 T7N, R67 W Containing 160 Acres.

25. Distance to Nearest Mineral Lease Line: 74 ft 26. Total Acres in Lease: 160

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: _____

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
SURF	12+1/4	8+5/8	24	0	720	504	720	0
1ST	7+7/8	4+1/2	11.6	0	8,014	924	8,014	3,300

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

33. Comments No Conductor casing will be set. The Exception Location Waiver per COGCC Rule 318Aa and 318Ac is attached. The Nashland 1 Well is a PA Well. The Unit Configuration for the Proposed Spacing Unit is S2NW and N2SW of Sec. 25 T7N R 67W. "Per Rule 318A.e All offset operators have been notified and no objections have been received."

34. Location ID: 430703

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: Jennifer Angel-Lear

Title: Regulatory Technician Date: 11/23/2012 Email: jangellear@petro-fs.com

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: 12/23/2012

API NUMBER: **05 123 36445 00** Permit Number: _____ Expiration Date: 12/22/2014

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) Submit Form 42 electronically to COGCC 48 hours prior to MIRU..
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Sussex. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Operator must meet Water Well Testing requirements as per amended Rule 318Ae(4)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
1699186	PROPOSED SPACING UNIT
1699247	EXCEPTION LOC WAIVERS
1699263	EXCEPTION LOC REQUEST
2544463	CORRESPONDENCE
400349450	FORM 2 SUBMITTED
400349462	DIRECTIONAL DATA
400349463	DEVIATED DRILLING PLAN
400349464	EXCEPTION LOC WAIVERS
400349465	EXCEPTION LOC REQUEST
400349466	PROPOSED SPACING UNIT
400349467	PLAT
400349468	SURFACE AGRMT/SURETY

Total Attach: 12 Files

General Comments

User Group	Comment	Comment Date
Permit	Per Rule 603.e.(6), operator requests approval of a Rule 603.e.(2) exception location for wellhead less than 350' from a building in a high density areas; proposed wellhead location is 288' from a residence. Request letter and signed waiver attached. Final Review Complete.	12/20/2012 1:24:31 PM
Permit	Waiver to Rule 603e(2) high density setbacks for residence SE of well pad has been signed and attached.	12/19/2012 3:08:34 PM
Final Review	Verify setback from building for High Density Location.	12/14/2012 2:35:13 PM
Permit	Final Review Completed. No LGD or public comment received. Requested opr to clarify Hz or Directional Corrected from horizontal to directional.	12/14/2012 11:00:13 AM
Permit	Added comment for Rule 318A.e at opr request. Distance to nearest lease line is 74', distance to nearest unit/pooling boundaray is 1313'. Ready to pass pending public comment 12/14/12.	12/4/2012 2:27:45 PM
Permit	Operator requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Request and waivers attached. Corrected from HZ to Dir well as per opr. Corrected Objective Formation as per opr. Attached proposed spacing unit certification letter as per opr.	11/28/2012 11:37:44 AM
Permit	This form passed completeness.	11/23/2012 3:29:42 PM

Total: 7 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.
Drilling/Completion Operations	When available and reasonable use a closed-loop drilling mud system to preclude the use of an earthen reserve pits when available. Light Sources will likewise be directed downwards, and away from occupied structures where possible. Once the drilling and completions rigs leave the site, there will be no permanently installed lighting on site. The operator will work with the Town of Severance to develop a traffic plan for access to the locations and traffic through Town streets.
Site Specific	Fence the well site after drilling to restrict public and wildlife access. Keep well site location, the road, and the pipeline easement free of noxious weeds, litter and debris. Spray for noxious weeds, and implement dust control, as needed. Operator will not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's Land. Construct and maintain gates where any roads used by operator, its employees, or contractors cross through fences on the leased premises.
Storm Water/Erosion Control	Use water bars, and other measures to prevent erosion and non-source pollution. Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).
Construction	Remove only the minimum amount of vegetation necessary for the construction of roads and facilities. Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation. No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.
Interim Reclamation	Utilize only such area around each producing well as is reasonably necessary. Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.
Final Reclamation	All surface restoration shall be accomplished to the satisfaction of Owner. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner. Final reclamation shall be completed to the reasonable satisfaction of the Owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC).

Total: 7 comment(s)