

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:

400418250

Date Received:

06/03/2013

PluggingBond SuretyID

20080034

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: 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: DeAnne Spector Phone: (303)928-7128 Fax: ()
Email: dspector@petro-fs.com

7. Well Name: Heckman Well Number: 16-20

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

9. Proposed Total Measured Depth: 7328

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 29 Twp: 7N Rng: 67W Meridian: 6

Latitude: 40.552116 Longitude: -104.910454

Footage at Surface: 160 feet FNL/FSL 726 feet FEL/FWL FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4971 13. County: WELD

14. GPS Data:

Date of Measurement: 04/01/2013 PDOP Reading: 2.3 Instrument Operator's Name: Alan Hnizdo

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

Footage at Top of Prod Zone: FNL/FSL 661 FSL 663 FEL 661 FEL 663
Bottom Hole: FNL/FSL 661 FSL 663 FEL 661 FEL 663
Sec: 20 Twp: 7N Rng: 67W Sec: 20 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: 156 ft

18. Distance to nearest property line: 174 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1300 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 | | 80 | GWA |
| NIOBRARA | NBRR | | 80 | 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):

Heckman lease: T7N, R67W, Sec. 20: E/2 of Sec. 20, 236 acres. Winter lease: T7N, R67W, Sec. 29: NE/4 160 acres.

25. Distance to Nearest Mineral Lease Line: 661 ft 26. Total Acres in Lease: 396

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 | 770 | 539 | 770 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 7,328 | 865 | 7,328 | 3,000 |

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

33. Comments No conductor casing will be set. Bayswater requests an exception location per rule 318Aa and rule 318Ac. Operator has a signed surface use agreement with the Winter North Family waiving the 30 day notification as well as the waiver for an exception location. The surface hole will not be located in a legal drilling window or twinned with an existing well. Unit configuration is E/2 SE/4, stand up (verified w/ Bayswater). This pad sits entirely on the Winters' surface in Sec. 29. The Heckman 16-20 has its SHL on the Winter's property but the productive entry point of the minerals & BHL lands in the SESE of Sec. 29 on Heckmans lease. The rig mast will be 104' tall.

34. Location ID: _____

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: DeAnne M. Spector

Title: Regulatory Analyst Date: 6/3/2013 Email: dspector@petro-fs.com

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: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Data retrieval failed for the subreport 'IntPolicy_NTC' located at: W:\Inetpub\Net\Reports\policy_ntc.rdl. Please check th

Attachment Check List

| Att Doc Num | Name |
|--------------------|------------------------|
| 400418250 | FORM 2 SUBMITTED |
| 400420983 | PLAT |
| 400420984 | DEVIATED DRILLING PLAN |
| 400420985 | DIRECTIONAL DATA |
| 400428381 | LEASE MAP |
| 400428389 | EXCEPTION LOC REQUEST |
| 400428983 | SURFACE AGRMT/SURETY |

Total Attach: 7 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | Returned to DRAFT. The blacking out of dollar amounts in the SUA was inadequate. Requested operator darken these values and resubmit. | 3/5/2013 7:40:47 AM |
| Permit | Back to draft for lease description, total acres in lease, exception location request for 318Aa and 318Ac | 3/3/2013 1:47:24 PM |

Total: 2 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 | A closed-loop drilling mud system will be used 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. |
| 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)