

FORM
2A

Rev
08/13

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:

400564232

Date Received:

04/25/2014

Oil and Gas Location Assessment

New Location Refile Amend Existing Location Location#: _____

Submit signed original form. This Oil and Gas Location Assessment is to be submitted to the COGCC for approval prior to any ground disturbance activity associated with oil and gas operations. Approval of this Oil and Gas Location Assessment will allow for the construction of the below specified Location; however, it does not supersede any land use rules applied by the local land use authority. Please see the COGCC website at <http://cogcc.state.co.us/> for all accompanying information pertinent this Oil and Gas Location Assessment.

Location ID:

437582

Expiration Date:

06/12/2017

This location assessment is included as part of a permit application.

CONSULTATION

This location is included in a Comprehensive Drilling Plan. CDP # _____

This location is in a sensitive wildlife habitat area.

This location is in a wildlife restricted surface occupancy area.

This location includes a Rule 306.d.(1)A.ii. variance request.

Operator

Operator Number: 10261
Name: BAYSWATER EXPLORATION AND PRODUCTION LLC
Address: 730 17TH ST STE 610
City: DENVER State: CO Zip: 80202

Contact Information

Name: Jennifer Grosshans
Phone: (303) 928-7128
Fax: (303) 218-5678
email: regulatory@petro-fs.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20080034 Gas Facility Surety ID: _____
 Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Kaiser Number: 10-D Pad

County: WELD

Quarter: NENE Section: 10 Township: 6N Range: 65W Meridian: 6 Ground Elevation: 4801

Define a single point as a location reference for the facility location. When the location is to be used as a well site then the point shall be a well location.

Footage at surface: 451 feet FNL from North or South section line

410 feet FEL from East or West section line

Latitude: 40.507257 Longitude: -104.641318

PDOP Reading: 1.5 Date of Measurement: 12/12/2013

Instrument Operator's Name: Ben Hardenbergh

RELATED REMOTE LOCATIONS

(Enter as many Related Locations as necessary. Enter the Form 2A document # only if there is no established COGCC Location ID#)

This proposed Oil and Gas Location is:

LOCATION ID # **FORM 2A DOC #**

Production Facilities Location serves Well(s)

310452

310454

FACILITIES

Indicate the number of each type of oil and gas facility planned on location

Wells	8	Oil Tanks	18	Condensate Tanks		Water Tanks	5	Buried Produced Water Vaults	
Drilling Pits		Production Pits		Special Purpose Pits		Multi-Well Pits		Temporary Large Volume Above Ground Tanks	
Pump Jacks		Separators	9	Injection Pumps		Cavity Pumps			
Gas or Diesel Motors		Electric Motors		Electric Generators		Fuel Tanks		Gas Compressors	3
Dehydrator Units		Vapor Recovery Unit	3	VOC Combustor	4	Flare		LACT Unit	
								Pigging Station	

OTHER FACILITIES

Other Facility Type

Number

Vapor Recovery Tower

4

Per Rule 303.b.(3)C, description of all oil, gas, and/or water pipelines:

8 - 2" steel flowlines from wellheads to separators carrying oil, gas and water.
1 - 4" steel gas supply line from Vapor Recovery Unit to wellheads.
The existing pipeline consists of 2" welded steel pipe carrying oil, gas and water.
Facility Layout attached.

CONSTRUCTION

Date planned to commence construction: 06/07/2014 Size of disturbed area during construction in acres: 8.13

Estimated date that interim reclamation will begin: 12/01/2014 Size of location after interim reclamation in acres: 4.06

Estimated post-construction ground elevation: 4801

DRILLING PROGRAM

Will a closed loop system be used for drilling fluids: Yes

Is H₂S anticipated? No

Will salt sections be encountered during drilling: No

Will salt based mud (>15,000 ppm Cl) be used? No

Will oil based drilling fluids be used? No

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Method: Other

Cutting Disposal: OFFSITE Cuttings Disposal Method: Other

Other Disposal Description:

Reeves Mud Field COGCC Facility 435839 will be used for offsite disposal.

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: 435839 or Document Number: _____

Centralized E&P Waste Management Facility ID, if applicable: _____

SURFACE & MINERALS & RIGHT TO CONSTRUCT

Name: Frances Koskie

Phone: _____

Address: 323 Hills of Texas Trail

Fax: _____

Address: _____

Email: _____

City: Georgetown State: TX Zip: 78633

Surface Owner: Fee State Federal Indian

Check all that apply. The Surface Owner: is the mineral owner

is committed to an oil and Gas Lease

has signed the Oil and Gas Lease

is the applicant

The Mineral Owner beneath this Oil and Gas Location is: Fee State Federal Indian

The Minerals beneath this Oil and Gas Location will be developed from or produced to this Oil and Gas Location: Yes

The right to construct this Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

Date of Rule 306 surface owner consultation _____

CURRENT AND FUTURE LAND USE

Current Land Use (Check all that apply):

Crop Land: Irrigated Dry land Improved Pasture Hay Meadow CRP

Non-Crop Land: Rangeland Timber Recreational Other (describe): _____

Subdivided: Industrial Commercial Residential

Future Land Use (Check all that apply):

Crop Land: Irrigated Dry land Improved Pasture Hay Meadow CRP

Non-Crop Land: Rangeland Timber Recreational Other (describe): _____

Subdivided: Industrial Commercial Residential

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 213 Feet
Building Unit: 240 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 412 Feet
Above Ground Utility: 434 Feet
Railroad: 5280 Feet
Property Line: 413 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of nearest Well or edge of nearest Production Facility to nearest of each cultural feature as described in Rule 303.b.(3)A.
- 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, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: Buffer Zone
 Exception Zone
 Urban Mitigation Area

- Buffer Zone - as described in Rule 604.a.(2), within 1,000' of a Building Unit.
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____
Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: 02/06/2014

SOIL

List all soil map units that occur within the proposed location. attach the National Resource Conservation Service (NRCS) report showing the "Map Unit Description" report listing the soil typical vertical profile. This data is to used when segregating topsoil.

The required information can be obtained from the NRCS web site at <http://soildatamart.nrcs.usda.org/> or from the COGCC web site GIS Online map page found at <http://colorado.gov/cogcc>. Instructions are provided within the COGCC web site help section.

NRCS Map Unit Name: 4 Aquolls and Aquepts, flooded
NRCS Map Unit Name: 47 Olney fine sandy loam, 1 to 3 percent slopes
NRCS Map Unit Name: _____

PLANT COMMUNITY:

Complete this section only if any portion of the disturbed area of the location's current land use is on non-crop land.

Are noxious weeds present: Yes No
Plant species from: NRCS or, field observation Date of observation: _____
List individual species: _____

Check all plant communities that exist in the disturbed area.

- Disturbed Grassland (Cactus, Yucca, Cheatgrass, Rye)
 Native Grassland (Bluestem, Grama, Wheatgrass, Buffalograss, Fescue, Oatgrass, Brome)
 Shrub Land (Mahogany, Oak, Sage, Serviceberry, Chokecherry)
 Plains Riparian (Cottonwood, Willow, Aspen, Maple, Poplar, Russian Olive, Tamarisk)
 Mountain Riparian (Cottonwood, Willow, Blue Spruce)
 Forest Land (Spruce, Fir, Ponderosa Pine, Lodgepole Pine, Juniper, Pinyon, Aspen)
 Wetlands Aquatic (Bullrush, Sedge, Cattail, Arrowhead)
 Alpine (above timberline)
 Other (describe): _____

WATER RESOURCES

Is this a sensitive area: No Yes

Distance to nearest

downgradient surface water feature: 383 Feet

water well: 684 Feet

Estimated depth to ground water at Oil and Gas Location 114 Feet

Basis for depth to groundwater and sensitive area determination:

CDWR # 104087
Downgradient surface water feature is a ditch.

Is the location in a riparian area: No Yes

Was an Army Corps of Engineers Section 404 permit filed No Yes If yes attach permit.

Is the location within a Rule 317B Surface Water Supply Area buffer No
zone:

If the location is within a Rule 317B Surface Water Supply Area buffer have all public water supply systems within 15 miles been notified: _____

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 318A

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

RULE 502.b VARIANCE REQUEST

- Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments

Bayswater Exploration & Production, LLC proposes to drill 8 horizontal wells on the Kaiser 10-D Pad located in the NENE of Section 10, Township 6 North, Range 65 West in Weld County, Colorado.

Facility Layout attached.

Letter to Director for COGCC Rule 303b.(3)J.iii. Building Unit Owner Pre-Application Notification receipts, attached as correspondence.

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

Signed: _____ Date: 04/25/2014 Email: regulatory@petro-fs.com

Print Name: Jennifer Grosshans Title: Regulatory Technician

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: 6/13/2014

Conditions Of Approval

All representations, stipulations and conditions of approval stated in this Form 2A for this location shall constitute representations, stipulations and conditions of approval for any and all subsequent operations on the location unless this Form 2A is modified by Sundry Notice, Form 4 or an Amended Form 2A.

<u>COA Type</u>	<u>Description</u>
	Operator must implement site-specific best management practices in accordance with good engineering practices, including, but not limited to, construction of a berm or diversion dike, site grading, or other comparable measures, sufficient to protect the irrigation ditch located 383 feet east of the oil and gas location from a release of drilling, completion, produced fluids, and chemical products.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.
2	General Housekeeping	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.
3	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).
4	Material Handling and Spill Prevention	Rule 604.c.(2)F - Leak Detection Plan Pumper will visit the location daily and visually inspect all tanks and fittings for leaks. Additionally, monthly documented SPCCP inspections are conducted pursuant to 40 CFR 112.
5	Dust control	Traffic dust control will be done utilizing water on all County Roads leading up to the pad site. Fugitive dust will be controlled by speed restrictions on all neighboring roads, regular road maintenance and repair, and avoiding construction activity during high wind days. If technologically and economically feasible, additional management practices may also be required to minimize fugitive dust, as well as to control silica dust while handling sand during fracing operations.
6	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.

7	Construction	<p>Rule 604.c.(2)N - Control of Fire Hazards All material that is considered a fire hazard shall be a minimum of 25' from the wellhead tanks or separators. Electrical equipment shall comply with the current national electrical code.</p>
8	Construction	<p>Rule 604.c.(2)R - Tank Specifications Tanks will be designed, constructed and maintained in accordance with NFPA Code 30. The tanks are visually inspected once a day for issues, and recorded inspections are conducted once a month.</p>
9	Construction	<p>Rule 604.c.(3) - Location Specific Requirements within an Exception Zone Setback Containment berms shall be constructed of steel rings with a synthetic or engineered liner and designed to prevent leakage and resist degradation from erosion or routine operation. Tertiary containment, such as an earthen berm, will be installed as required for Production Facilities within 500 feet. All berms will be visually checked periodically to ensure proper working condition.</p>
10	Construction	<p>Rule 804 - Visual Impact Mitigation All long term facility structures will be painted a color that enables the facilities to blend in with the natural background color of the landscape, as seen from a viewing distance and location typically used by the public. Maintain appearance with garbage clean-up; a trash bin will be located on site to accumulate waste by the personnel drilling the wells. Site will have unused equipment, trash and junk removed immediately.</p>
11	Noise mitigation	<p>A baseline noise survey will be performed prior to the start of drilling and completion operations. Some type of sound wall mitigation will be implemented based on the study results to insure that noise levels are maintained below the permissible level for Light Industrial Zones, as measured at the nearest Building Unit.</p>
12	Emissions mitigation	<p>Rule 604.c.(2)C - Green Completions Emission Control Systems Test separators and associated flow lines and sand traps shall be installed on-site to accommodate green completions techniques pursuant to COGCC Rules. In the anticipated absence of a viable gas sales line, the flowback gas shall be thermally oxidized in an emissions control device (ECD), which will be installed and kept in operable condition for at least the first 90-days of production pursuant to CDPHE rules.</p>
13	Odor mitigation	<p>Rule 805 - Odors Bayswater will regulate odors in accordance with COGCC Rule 805. The production facilities will have VOC Combustors with emission control devices to comply with the Department of Public Health and Environment, Air Quality Control Commission.</p>
14	Drilling/Completion Operations	<p>A closed-loop drilling mud system will be used to preclude the use of an earthen reserve pit. Light Sources will likewise be directed downwards and away from occupied structures where possible. Once the drilling and completion rigs leave the site, there will be no permanently installed lighting on site.</p>
15	Drilling/Completion Operations	<p>Prior to drilling operations, Operator may perform an anti-collision review of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision review may include MWD or gyro surveys and surface locations of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed well path with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottom hole location. The proposed well may only be drilled if the anti-collision review results indicate that the risk of collision is sufficiently low as defined by the anticollision plan, with separation factors greater than 1.5, or if the risk of collision has been mitigated through other means including shutting in wells, plugging wells, increased drilling fluid in the event of lost returns or as is appropriate for the specific situation. In the event of an increased risk of collision, that risk will be mitigated to prevent harm to people, the environment or property. For the proposed well, upon conclusion of drilling operations, an as-constructed directional survey will be submitted to the COGCC with the Form 5.</p>
16	Drilling/Completion Operations	<p>Pursuant to COGCC 207.a. ("Policy"), Bayswater Exploration & Production, LLC, acknowledges and will comply with said policy for Bradenhead Monitoring during hydraulic fracturing treatments in the Greater Wattenberg Area (GWA), dated May 29, 2012.</p>

17	Drilling/Completion Operations	Rule 604.c.(2)H - Blowout Preventer Equipment 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.
18	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 reseeded 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.
19	Final Reclamation	All surface restoration shall be accomplished to the satisfaction of Owner. All reseeded 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: 19 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
1668302	CORRESPONDENCE
1668314	RULE 306.E. CERTIFICATION
1668346	LOCATION DRAWING
1668347	CORRESPONDENCE
400564232	FORM 2A SUBMITTED
400565356	NRCS MAP UNIT DESC
400565364	NRCS MAP UNIT DESC
400565411	WASTE MANAGEMENT PLAN
400593452	LOCATION PICTURES
400593455	ACCESS ROAD MAP
400593456	HYDROLOGY MAP
400593457	MULTI-WELL PLAN
400595985	FACILITY LAYOUT DRAWING
400596008	CORRESPONDENCE

Total Attach: 14 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
OGLA	Operator provided additional clarification on distance from the existing production facility to the nearest Building and Building Unit. The distance is actually 240 feet to the nearest Building Unit.	5/9/2014 8:11:59 AM
Permit	Passes Permit review.	5/19/2014 10:18:09 AM
OGLA	Operator provided Rule 306.e. Certification Letter. No Public Comments. OGLA task passed.	5/19/2014 9:39:29 AM
OGLA	IN PROCESS - Operator agreed to update Related Remote Locations section, update the Facilities list to include both existing and new production facilities, change Sensitive Area designation to YES, and provided additional site specific mitigation measure BMPs. OGLA review complete. Waiting on the Public Comment period.	5/12/2014 10:55:03 AM
OGLA	ON HOLD - Requested to update Related Remote Locations section as nearby wells will produce to the production facilities, review and update Facilities list as it doesn't agree with what's shown on the Facility Layout Drawing, change Sensitive Area designation to YES, uncheck the Rule 604.a.(1)A Exception box as this location is not within an Urban Mitigation Area, and requested additional site specific mitigation measure BMPs. The 173 feet to the nearest Building Unit is measured from an existing historical production facility that will be included with this location. The new additional production facilities will be placed on the opposite side of the existing production facility from the nearest BU. They will be approximately 450 feet from the nearest BU.	4/29/2014 3:15:19 PM
Permit	Passed completeness.	4/28/2014 9:54:01 AM

Total: 6 comment(s)