

FORM

2

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:

400847057

(SUBMITTED)

Date Received:

APPLICATION FOR PERMIT TO:

☒ Drill
 ☐ Deepen
 ☐ Re-enter
 ☐ Recomplete and Operate
TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____Refilling ☐ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☐

Well Name: Hester Farms

Well Number: G-36HN

Name of Operator: BAYSWATER EXPLORATION AND PRODUCTION LLC

COGCC Operator Number: 10261

Address: 730 17TH ST STE 610

City: DENVER

State: CO

Zip: 80202

Contact Name: Jeff Annable

Phone: (303)928-7128

Fax: (303)218-5678

Email: regulatory@petro-fs.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20080034

WELL LOCATION INFORMATION

QtrQtr: Lot2 Sec: 31 Twp: 7N Rng: 66W Meridian: 6

Latitude: 40.533374

Longitude: -104.831381

Footage at Surface: 1679 feet

FNL/FSL

FNL

202

FEL/FWL

FWL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4914

County: WELD

GPS Data:

Date of Measurement: 04/30/2015

PDOP Reading: 1.5

Instrument Operator's Name: Bryan Johnson

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

Footage at Top of Prod Zone: 1480

FNL/FSL

FNL

470

FEL

Bottom Hole: 1480

FNL/FSL

FNL

470

FEL/FWL

FWL

Sec: 36

Twp: 7N

Rng: 67W

Sec: 36

Twp: 7N

Rng: 67W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ IndianThe Surface Owner is: ☐ is the mineral owner beneath the location.

(check all that apply)

☐ 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 by this Well: No

The right to construct the Oil and Gas Location is granted by: Surface Use Agreement

Surface damage assurance if no agreement is in place:

Surface Surety ID:

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

Township 7 North, Range 67 West of the 6th PM
Section 36: NW

Total Acres in Described Lease: 160 Described Mineral Lease is: ☐ Fee ☒ State ☐ Federal ☐ Indian

Federal or State Lease # 8501.5

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 858 Feet
Building Unit: 880 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 1667 Feet
Above Ground Utility: 203 Feet
Railroad: 5280 Feet
Property Line: 205 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- 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: 05/07/2015

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 330 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 470 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

Nearest wellbore permitted or completed in the same formation is the Hester Farms F-36HN .

Niobrara: Proposed Spacing Unit is described as: T7N,R67W:
Sec 36 - N2

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR		320	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 12028 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 165 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

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

Will oil based drilling fluids be used? No

BOP Equipment Type: ☒ Annular Preventor ☒ Double Ram ☒ Rotating Head ☐ None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 318A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Land application

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

Cockroft Farms COGCC Facility 441088 will be used for offsite disposal.

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: 441088 or Document Number: _____

CASING PROGRAM

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	9+5/8	36	0	800	355	800	0
1ST	8+3/4	7	26	0	7711	600	7711	0
1ST LINER	6+1/8	4+1/2	11.6	7411	12028			

☒ Conductor Casing is NOT planned

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)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- ☒ Rule 318A.a. Exception Location (GWA Windows).
- ☒ Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

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

OTHER LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318.c. Exception Location from Rule or Spacing Order Number _____
- ☐ Rule 603.a.(2) Exception Location (Property Line Setback).

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

Letter to Director for COGCC Rule 318A.e. Proposed Spacing Unit, attached as Proposed Spacing Unit.

Letter to the Director for COGCC Rule 318A.a. and 318A.c. Exception Location Request, attached as Exception Loc Request.

Waiver for COGCC Rule 318A.a. GWA window and 318A.c. Twinning waiver, attached as Exception Loc Waiver.

Nearest permitted or existing wellbore penetrating objective formation is Hester Farms H-36HC.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: _____

Is this application being submitted with an Oil and Gas Location Assessment application? _____ Yes

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

Signed: _____ Print Name: Jeff Annable

Title: Regulatory Technician Date: _____ Email: regulatory@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: _____

Expiration Date: _____

API NUMBER

05

Conditions Of Approval

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.

Best Management Practices

No	BMP/COA Type	Description
1	Planning	Multi-well Pads are located in a manner which allows for resource extraction while maintaining the highest distances possible from the offsetting residential areas and complies with the wishes of the surface owner. A meeting with the surface owner will determine the fencing plan.
2	Pre-Construction	Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling. Identification of plugged and abandoned wells will be identified pursuant to 319.a.(5)

3	Traffic control	Access Roads: The access road will be constructed to accommodate local emergency vehicles. This road will be maintained for access at all times. Traffic will be routed to minimize local interruption.
4	General Housekeeping	<p>Visual Impacts: Equipment, regardless of construction date, which are observable from any public highway shall be painted with uniform, non-contrasting, non-reflective color tones (similar to the Munsell Soil Color Coding System), and with colors matched to, but slightly darker than, the surrounding landscape.</p> <p>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. Operator shall keep the Surface Use Area as well as any roads or other areas used by Operator safe and in good order, including control of noxious weeds litter and debris.</p>
5	Material Handling and Spill Prevention	<p>Leak Detention Plan: Pumper will visit the location daily and visually inspect all wellheads and fittings for leaks. Additionally, monthly documented SPCCP inspections are conducted pursuant to 40 CFR 112.</p> <p>Control of fire hazards: All material that is considered a fire hazard shall be a minimum of 25' from the wellhead. Electrical equipment shall comply with API IRP 500 and will comply with the current national electrical code.</p> <p>Operator shall comply with state and federal laws, rules and regulations governing the presence of any petroleum products, toxic or hazardous chemicals or wastes on the Subject lands.</p>
6	Dust control	Operator shall employ practices for control of fugitive dust caused by their operations. Such practices shall include but are not limited to the use of speed restrictions, regular road maintenance, restriction of construction activity during high- wind days, and silica dust controls when handling sand used in hydraulic fracturing operations. Additional management practices such as road surfacing, wind breaks and barriers, or automation of wells to reduce truck traffic may also be required if technologically feasible and economically reasonable to minimize fugitive dust emissions.
7	Construction	Guy line anchors: All guy line anchors shall be brightly marked pursuant to Rule 604.c. (2)Q.
8	Noise mitigation	Sound walls will be installed where necessary to stay under the noise compliance levels allowed by the state.
9	Emissions mitigation	Green Completions - Emission Control System: Test separators and associated flow lines and sand traps shall be installed 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. This ECD shall have an adequate capacity for 1.5 times the largest flowback within a 10 mile radius, will be flanged to route gas to other or permanent oxidizing equipment and shall be provided with the equipment needed to maintain combustions where non-combustible gases are present.
10	Odor mitigation	<p>Equipment shall be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare.</p> <p>Oil and gas operations shall be in compliance with the Department of Public Health and Environment, Air Quality Control Commission, Regulation No. 2 Odor Emission, 5 C.C.R. 1001-4, Regulation No. 3 (5 C.C.R. 1001-5), and Regulation No. 7 Section XVII.B.1 (a-c) and Section XII.</p>

11	Drilling/Completion Operations	<p>A closed –loop system will be used for drilling operations.</p> <p>Blowout Prevention Equipment (“BOPE”): 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.</p> <p>Lighting: Site lighting shall be directed downward and inward and shielded so as to avoid glare on public roads and Building Units within one thousand (1000) feet where possible. Once the drilling and completion rigs leave the site, there will be no permanently installed lighting on site.</p> <p>Bradenhead Monitoring: Operator acknowledges and will comply with COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.</p> <p>One of the first wells drilled on the pad will be logged with open-hole Resistivity Log and Gamma Ray Log from the kick-off point into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without open-hole logs shall clearly state “No open-hole logs were run” and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.</p>
12	Interim Reclamation	Operator shall be responsible for segregating the topsoil, backfilling, repacking, reseeding, and recontouring the surface of any disturbed area so as not to interfere with Owner’s operations and shall reclaim such area to be returned to pre-existing conditions as best as possible with control of all weeds.
13	Final Reclamation	Within 90 days subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site. The Operator shall restore the surface of the Land affected by such terminated operations as near as possible to the previous state that existed prior to operations.

Total: 13 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400847123	DIRECTIONAL DATA
400847124	EXCEPTION LOC WAIVERS
400847125	WELL LOCATION PLAT
400858999	OffsetWellEvaluations Data
400859741	DEVIATED DRILLING PLAN
400859742	EXCEPTION LOC REQUEST
400859747	PROPOSED SPACING UNIT
400859749	SURFACE AGRMT/SURETY

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)