



BAYSWATER
EXPLORATION & PRODUCTION, LLC

Bayswater rationalization for the Calvary 19-L Horizontal drilling pad and site.

- The Calvary 19-L Horizontal drilling pad is planned for efficient and economical development of the South half of Sections 20 and 21 of Section 7N-65W
- 2.0 mile laterals are planned such that an additional pad is not necessary in the future
- This location is rural and outside of urban mitigation areas
- Bayswater has good relations with the property owner of the Calvary site
- Engineered sound walls will be utilized if necessary to protect the surrounding building units during operations
- The surface facilities location has been planned to be outside of the 500' setback required per the COGCC rules and not directly up against WCR 39
- The surface facilities are being placed on the South end of the DA which gives the greatest distance from the closest building unit
- Bayswater has Surface Damage and Release Agreement with the current property owner which covers dust control, truck traffic, and sound walls among other items
- Bayswater has looked at other locations to drill the proposed wells but the only real option would have been to move it East across CR 39, but that option would have been either within the interior of an irrigation pivot area or within a feed lot, both of which are not a desirable location
- This surface site is located 1.5 miles South of HWY 14 and 2.5 miles North of WCR 74

Values

- Bayswater is always honest, ethical, and open in our dealings with others.
- We strive to conduct our work without accident, without harm to people, and without damage to the environment.
- The development of oil and natural gas resources and the stewardship of a pristine, sustainable environment are not mutually exclusive. We will be leaders in demonstrating that both are achievable.
- We are in business, in Colorado, for the long term.