

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)
BAYSWATER EXPLORATION & PRODUCTION,)
LLC FOR AN ORDER POOLING ALL)
INTERESTS IN THE NIOBRARA FORMATION IN)
A 160-ACRE WELLBORE SPACING UNIT)
LOCATED IN SECTION 29, TOWNSHIP 6)
NORTH, RANGE 65 WEST, 6TH P.M.,)
WATTENBERG FIELD, WELD COUNTY,)
COLORADO.)

Cause No. _____

Docket No. 1503XXXXX

Type: POOLING

APPLICATION

Bayswater Exploration & Production, LLC ("Bayswater" or "Applicant"), Operator No. 10261, by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission" or "COGCC") for an order pooling all interests in an approximate 160-acre wellbore spacing unit for the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 29, Township 6 North, Range 65 West, 6th P.M., Weld County, Colorado for the development and production from the Niobrara Formation. In support thereof, the Applicant states as follows:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado.
2. Applicant owns a leasehold interest in the following lands ("Application Lands"):

Township 6 North, Range 65 West, 6th P.M.
Section 29: E $\frac{1}{2}$ E $\frac{1}{2}$

Weld County, Colorado.

A reference map of the Application Lands is attached hereto.

3. On February 17, 1984, the Commission issued Order No. 410-1, which established eighty (80) acre drilling and spacing units for the production of oil and associated hydrocarbons from the Codell and Niobrara Formations underlying lands in the Greeley Field, Weld County, Colorado. Said drilling units shall consist of 80-acres, more or less and consist of the E $\frac{1}{2}$ and W $\frac{1}{2}$ or the N $\frac{1}{2}$ and S $\frac{1}{2}$ of each quarter section according the governmental survey and shall be designated by the operator drilling the first well on the quarter section, and the permitted well for each unit shall be located in the center of the SE $\frac{1}{4}$ and NW $\frac{1}{4}$ of each quarter section with a tolerance of 200 feet in any direction, and the existing producing or producible wells or permitted

location should be considered the permitted well for the units upon which they are located. The Applications Lands are subject to Order No. 410-1.

4. On June 18, 1984, the Commission issued Order No. 410-2, which provided for multiple completion of wells in the Codell and Niobrara Formations, and where there is no difference in ownership between formations, the Commission permitted comingling and production from said formations in the wellbore for existing wells and wells to be drilled in certain lands in Weld County, Colorado, not to become effective, however, until approval is given by FERC designating the Niobrara as a "tight formation" as recommended by the Oil and Gas Commission on June 18, 1984, by Order No. NG-44-1. The Application Lands are subject to Order No. 410-2.

5. On March 17, 1986, the Commission issued Order No. 410-3, which amended Order Nos. 410-1 and 410-2, and applied to wells drilled, completed or recompleted in the Codell and Niobrara Formations to allow the option to drill a second well, in addition to the permitted well as provided for by Order No. 410-1, on each 80-acre drilling and spacing unit for the production of oil and associated hydrocarbons from the Codell and Niobrara Formations and that said additional well shall be located in the undrilled quarter section and be subject to the provisions of Order Nos. 410-1 and 410-2. The Applications Lands are subject to Order No. 410-3.

6. On August 8, 2011, the Commission adopted Rule 318A.a.(4)D., which provides, in relevant part, that where a drilling and spacing unit does not exist for a horizontal well, the horizontal wellbore spacing unit shall be comprised of the governmental quarter-quarter sections in which the wellbore lateral penetrates the productive formation as well as any governmental quarter-quarter sections that are located less than four hundred sixty (460) feet from the portion of the wellbore lateral that penetrates the productive zone regardless of section or quarter section lines. Rule 318A.a.(4)D. further provides that a horizontal wellbore spacing unit may overlap portions of another horizontal wellbore spacing unit or other wellbore spacing unit designated in accordance with subsection a.(4)C. The Application Lands are subject to Rule 318A.a.(4)D.

7. Applicant intends to drill the Matrix Q-29HN well (API# 05-123-40695), with an estimated spud date of on or about December 24, 2014. The above-described horizontal well is designed to test and produce gas and associated substances from the Niobrara Formation underlying the Application Lands.

8. Pursuant to the relevant provisions of Section 34-60-116(6) & (7), C.R.S., and COGCC Rule 530, Applicant seeks an order pooling all interests in the Application Lands for the development and operation of the Niobrara Formation.

9. Applicant certifies that, at least 35 days prior to the date of the scheduled protest deadline for this Application, each owner which Applicant was able to locate, not already leased or voluntarily pooled, will be provided with well proposals and information required by Rule 530 and tendered a reasonable offer to lease (if an unleased mineral owner), or participate and bear costs associated with the drilling and completion of the Matrix Q-29HN well.

10. Applicant requests that a pooling order be entered as a result of this Application and that it be made effective as of the earlier of the date of this Application, or the date

costs specified in Section 34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of the Matrix Q-29HN well.

11. The granting of this Application would be in accord with the Oil and Gas Conservation Act, found at Section 34-60-101, *et seq.*, C.R.S., and Commission rules.

12. The names and addresses of the interested parties (persons who own an interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) are attached hereto and marked Exhibit A. Applicant certifies that copies of this Application will be served on all locatable interested parties within seven (7) days of the date hereof, as required by Commission Rule 507.b(2), and that at least thirty-five (35) days prior to the date of the scheduled protest deadline for this Application, each such owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the respective wells, and will be provided with the information required by Rule 530.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing this Commission enter its order:

A. Pooling all interests in the Application Lands for the development and operation of the Niobrara Formation.

B. Providing that the pooling order is made effective as of the date of this Application, or the date that the costs specified in Section 34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of the Matrix Q-29HN well on the Application Lands, whichever is earlier.

C. Providing that the interests of any owners, with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the authorized well, are pooled by operation of statute, pursuant to Section 34-60-116(7), C.R.S., and made subject to the cost recovery provisions thereof.

D. For such other findings and orders as the Commission may deem proper or advisable in the premises.

Dated this 22nd day of December, 2014

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: _____


Joseph C. Pierzchala
Chelsey J. Russell
Welborn Sullivan Meck & Tooley, P.C.
Attorneys for Applicant
1125 - 17th Street, Suite 2200
Denver, CO 80202
303-830-2500
jpierzchala@wsmtlaw.com
crussell@wsmtlaw.com

Applicant's Address:

730 Seventeenth Street, Suite 610
Denver, CO 80202
Attn: Blake Leavitt, DJ Basin Landman
Phone: 303-893-2503

VERIFICATION

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

Blake Leavitt, DJ Basin Landman with Bayswater Exploration & Production, LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

BAYSWATER EXPLORATION & PRODUCTION, LLC



Blake Leavitt, DJ Basin Landman

Subscribed and sworn to before me this 19 day of December, 2014 by Blake Leavitt, DJ Basin Landman for Bayswater Exploration & Production, LLC.

Witness my hand and official seal.



Notary Public

My Commission Expires: 3/27/2016

Exhibit A

E½E½ SECTION 29-T6N-R65W

MATRIX Q-29HN

UNLEASED MINERAL OWNERS:

Jose Salazar Jr.
1002 6th Avenue
Greeley, CO 80631

LEASED MINERAL OWNERS:

Moro Farms, Inc.
35530 WCR 43
Eaton, CO 80615

Annette Anderson
5042 Cypress Loop NE
Lacey, WA 98516

Kathryn Jane Campbell
2205 Bridger Drive
Bozeman, MT 59715

Patricia L. Eckhardt Browning
1124 Longbow Lane Unit F
Bozeman, MT 59718

Robert J. Eckhardt
1147 Shadow Mountain Court
Idaho Falls, ID 83404

M. Jean E. Watson
169 Mill Creek East Fork
Livingston, MT 59047

Kent and Arlene Anderson
767 Dauer Lane
New Brunfels, TX 78130

Robert Arnold and Karen Anderson
131 Mourning Dove Drive
Canon City, CO 81212

Charles W. & Margaret E. Bliss
40738 Poudre Canyon Road
Bellvue, CO 80512

Monson Brothers Company
P.O. Box 1085
Ault, CO 80610

Margaret E. Deffke
40738 Poudre Canyon Highway
Bellvue, CO 80512

Hungenberg Investments, LLC
976 North Balsam Avenue
Greeley, CO 80631

D&B Hungenberg Investments, LLC
976 North Balsam Avenue
Greeley, CO 80631

J. Patrick Hare LLC
3200 Oakdale Forrest Road
Edmond, OK 73013

JAE Properties Colorado LLC
P.O. Box 1129
Norfolk, NE 68702

Thomas R. Troudt & Diane E. Troudt
1505 61st Ave
Greeley, CO 80634

Jerry and Carolyn Isbell Inc.
2817 Grand view Drive
Greeley, CO 80631

Richard William Cooper LLC
P.O. Box 25369
Oklahoma City, OK 73125

Diane R. Cranston
P.O. Box 337056
Greeley, CO 80633

James Gibbs
31219 County Road 41
Greeley, CO 80631

Christopher L. King
31379 WCR 41
Greeley, CO 80631

Union Pacific Railroad Company
P.O. Box 301764
Dallas, TX 75303

Anadarko Land Corp. &
Anadarko E&P Company, L.P.
P.O. Box 730875
Dallas, Tx 75373-0875

Hoshiko Farms, Inc.
P.O. Box 399
Greeley, CO 80632

Duane D. Zabka & Dorothy Zabka
617 6th Street
Greeley, CO 80631

WORKING INTEREST OWNERS:

Bayswater Blenheim Holdings II, LLC
730 17th Street, Suite 610
Denver, CO 80202

Bayswater Exploration & Production, LLC
730 17th Street, Suite 610
Denver, CO 80202

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AFFIDAVIT OF MAILING

STATE OF COLORADO §
CITY AND COUNTY OF DENVER §

I, Joseph C. Pierzchala, of lawful age, and being first duly sworn upon my oath, state and declare:

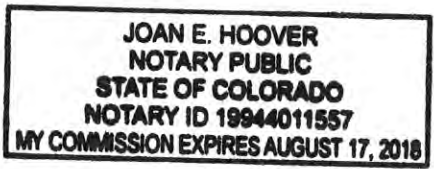
That I am the attorney for Bayswater Exploration & Production, LLC and that on or before December 29, 2014, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.




Joseph C. Pierzchala

Subscribed and sworn to before me December 22, 2014.

Witness my hand and official seal.

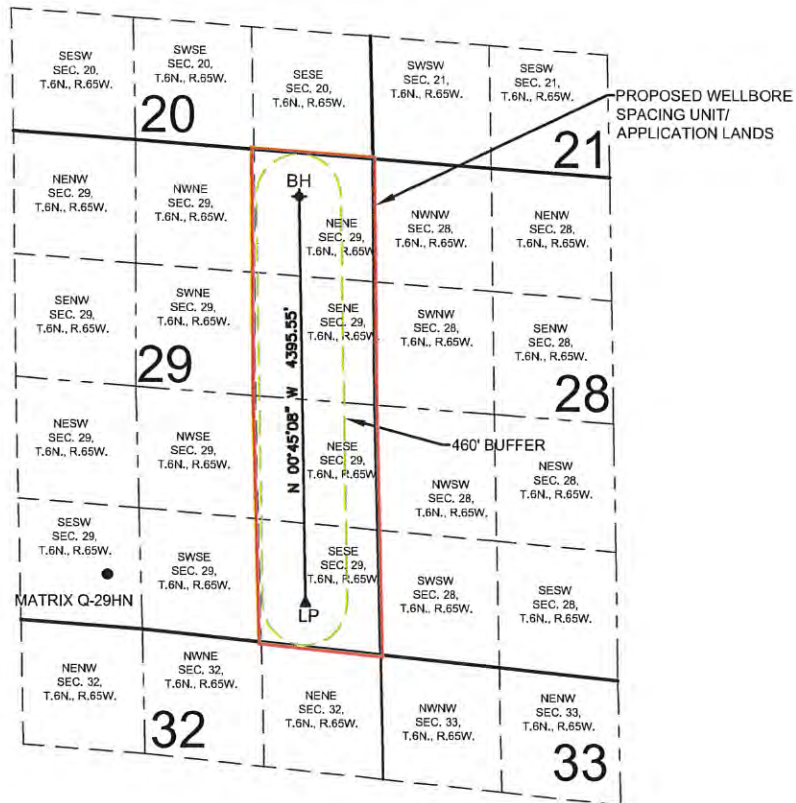




Notary Public
My commission expires: 8/17/2018

PROPOSED SPACING UNIT/APPLICATION LANDS

SECTION 29 TOWNSHIP 6 NORTH, RANGE 65 WEST, 6TH P.M.



WELL **MATRIX Q-29HN** TO BE LOCATED 563' FSL AND 2272' FWL, SEC. 29, T6N, R65W

SURFACE LOCATION

NAD83
 LATITUDE= 40.452983°
 LONGITUDE= 104.688540°

LANDING POINT LOCATION

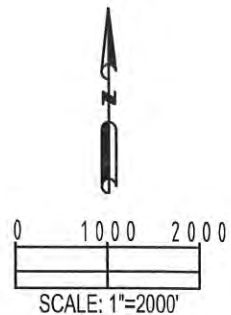
NAD83
 LATITUDE= 40.452082°
 LONGITUDE= 104.680819°


BOTTOM HOLE LOCATION

NAD83
 LATITUDE= 40.464148°
 LONGITUDE= 104.680881°

LEGEND

- = PROPOSED WELL
- ▲ = LANDING POINT
- ✦ = BOTTOM HOLE
- LP = LANDING POINT
- BH = BOTTOM HOLE



PREPARED BY:  Petroleum Field Services, LLC 7335 Hilltop Circle Denver, CO 80221	FIELD DATE: 07-10-14	SURFACE LOCATION: SE 1/4 SW 1/4, SEC. 29, T6N, R65W, 6TH P.M.
	DRAWING DATE: 12-09-14	BY: KAD
	CHECKED: MDCA	WELD COUNTY, COLORADO