

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 CODELL AND NIOBRARA)
FORMATIONS IN FOUR APPROXIMATE 640-)
ACRE WELLBORE SPACING UNITS AND TWO)
APPROXIMATE 320-ACRE WELLBORE)
SPACING UNITS LOCATED IN SECTIONS 29,)
AND 30, TOWNSHIP 7 NORTH, RANGE 66)
WEST, 6TH P.M., WATTENBERG FIELD, WELD)
COUNTY, COLORADO.)

Cause No. 407
Docket No. 161200503
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 (1) four approximate 640-acre wellbore spacing units ("WSU") and (2) two approximate 320-acre WSUs covering certain lands in Weld County, Colorado for development and production from the Codell (WSU Nos. 1 and 6) and Niobrara (WSU Nos. 2, 3, 4, and 5) Formations. 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 and is an operator in good standing with the Commission.

2. Applicant owns a leasehold interest in the WSUs comprised of the following lands ("Application Lands"):

WSU Nos. 1 and 2:

Township 7 North, Range 66 West, 6th P.M.
Section 29: S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$
Section 30: S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

WSU Nos. 3 and 4:

Township 7 North, Range 66 West, 6th P.M.
Section 29: S $\frac{1}{2}$ N $\frac{1}{2}$
Section 30: S $\frac{1}{2}$ N $\frac{1}{2}$

WSU Nos. 5 and 6:

Township 7 North, Range 66 West, 6th P.M.

Section 29: N½

Section 30: N½

Weld County, Colorado.

Reference maps of the Application Lands are attached hereto.

3. Rule 318A.a.(4)D. 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.

4. Applicant intends to drill the following wells in the Application Lands, each of which is located in a separate WSU established pursuant to Rule 318A.

(a) **WSU No. 1:** Thornton K-29-30HC well (API# 05-123-43599), estimated spud date is November 1, 2016. The above-described horizontal well is designed to test and produce oil, gas and associated hydrocarbons from the **Codell Formation** underlying the Application Lands.

(b) **WSU No. 2:** Thornton L-29-30HN well (API# 05-123-43592), estimated spud date of November 1, 2016. The above-described horizontal well is designed to test and produce oil, gas and associated hydrocarbons from the **Niobrara Formation** underlying the Application Lands.

(c) **WSU No. 3:** Thornton I-29-30HN well (API# 05-123-43609), estimated spud date of November 1, 2016. The above-described horizontal well is designed to test and produce oil, gas and associated hydrocarbons from the **Niobrara Formation** underlying the Application Lands.

(d) **WSU No. 4:** Thornton J-29-30HN well (API# 05-123-43596), estimated spud date of November 1, 2016. The above-described horizontal well is designed to test and produce oil, gas and associated hydrocarbons from the **Niobrara Formation** underlying the Application Lands.

(e) **WSU No. 5:** Thornton G-29-30HN well (API# 05-123-43598), estimated spud date of November 1, 2016. The above-described horizontal well is designed to test and produce oil, gas and associated hydrocarbons from the **Niobrara Formation** underlying the Application Lands.

(f) **WSU No. 6:** Thornton H-29-30HC well (API# 05-123-43589), estimated spud date of November 1, 2016. The above-described horizontal well is designed to test and produce oil, gas and associated hydrocarbons from the **Codell Formation** underlying the Application Lands.

(collectively, the "Thornton Wells").

5. 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 Codell Formation in WSU Nos. 1 and 6 and for the development and operation of the Niobrara Formation in WSU Nos. 2, 3, 4, and 5.

6. Applicant certifies that, at least thirty-five (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 the well proposal 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 Thornton Wells.

7. 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 each of the Thornton Wells, in or with respect to each separate WSU.

8. 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.

9. The names 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 Codell Formation in WSU Nos. 1 and 6 and for the development and operation of the Niobrara Formation in WSU Nos. 2, 3, 4, and 5.

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 following wells in the following units:

WSU No. 1 – Thornton K-29-30HC well (API# 05-123-43599) – Codell Formation

WSU No. 2 – Thornton L-29-30HN well (API# 05-123-43592) – Niobrara Formation
WSU No. 3 – Thornton I-29-30HN well (API# 05-123-43609) – Niobrara Formation
WSU No. 4 – Thornton J-29-30HN well (API# 05-123-43596) – Niobrara Formation
WSU No. 5 – Thornton G-29-30HN well (API# 05-123-43598) – Niobrara Formation
WSU No. 6 – Thornton H-29-30HC well (API# 05-123-43589) – Codell Formation

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 wells, 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 Application Lands.

Dated this 13th day of October, 2016

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: _____


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

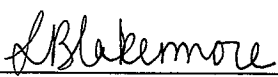


Blake Leavitt, DJ Basin Landman

Subscribed and sworn to before me this 13th day of October, 2016 by Blake Leavitt, DJ Basin Landman for Bayswater Exploration & Production, LLC.

Witness my hand and official seal.

SARAH BLAKEMORE
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20164007856
My Commission Expires Feb. 25, 2020



Notary Public
My Commission Expires: 2/25/2020

EXHIBIT A
INTERESTED PARTIES

Royalty Owners

J. Paul Sorelle
William F. Maulsby & Karin
E. Maulsby
Anadarko Land Corp.
Betty Jane Bechtholdt
Beth Killgore
Beverly Alvin Rudd
Billy C. & Roberta J.
Overman
Bradley Earl Adler, Trustee
of the Lois Arlene Barnaby
Revocable Trust
Christina Ann & Justin
Leroy Betz
City of Thornton
Clair B. Orr Trust dtd
5/4/2009

Clarence David Hergert
Cory Frederick Steen
Don A. Seastone
Earl Eugene Stewart
Gibbs Minerals LLC
Ida Darlene Spitler
J2 Mineral LLC
Jacob Hirsch, III
James H. Hessler
Jerry Rudd
John Todd Burroughs
Joyce Arlene Wykert Weber
Karen Bowker
Karen Burroughs Allen
Karla Stacie Bozarth
Kelly Sue Foster
Kenneth Gordon Hyde

Kim Sheri West
LaMar Lance Steen
Laura Cahill
Lawrence Everett Stewart
Lynda Kammerzell
Mardi Lee Steen Randle
Patricia Hergert
Sally Ann Miller
Sandra L. Bradley
Wesley Hall
Donald L. Rothearmel &
Joan E. Rotharmel
Donna Jean Faries
Randy M. Rohrig

Unleased Owners

Clark Urich
Darrin J. & Karyn S. Muggli
Betty June Elder (Rasco) [Betty Jo Elder]
Heirs of Devisees of Billie Lee Hughes
Nelson R. & Stacie M. Hollar

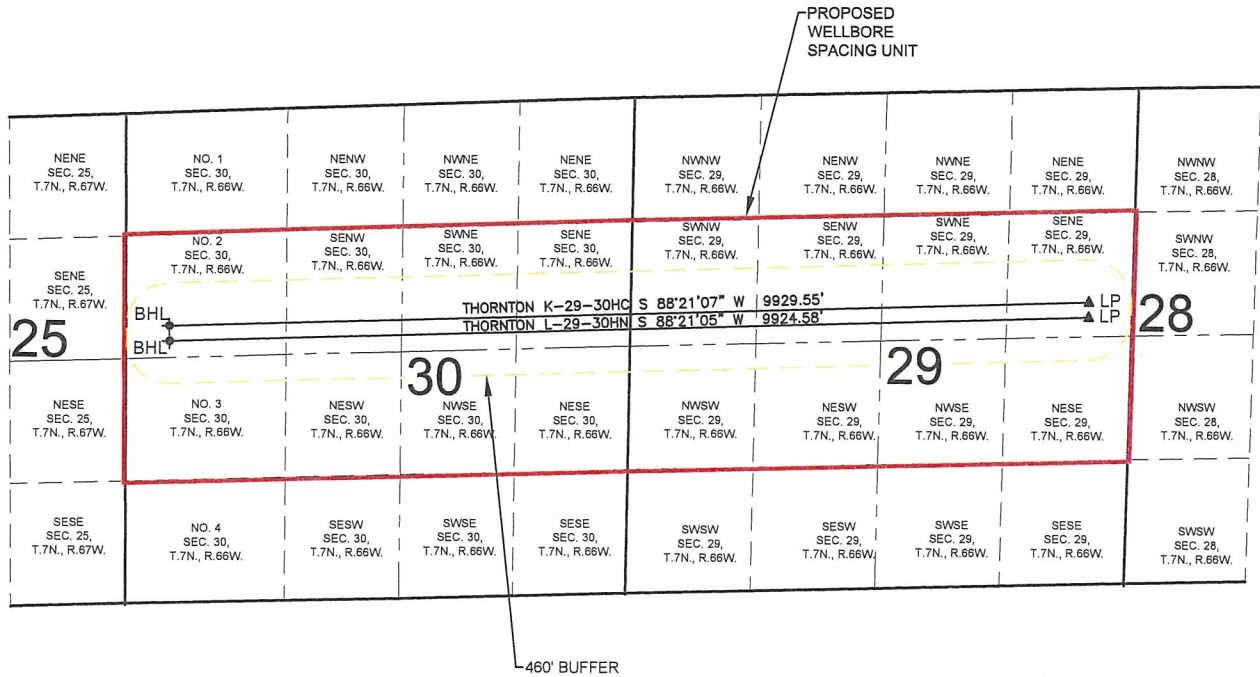
Consenting Owners

Bayswater Blenheim Holdings II, LLC
Bayswater Blenheim Holdings, LLC
Bayswater Exploration & Production, LLC
Bayswater Resources LLC

Non-Consenting Owners

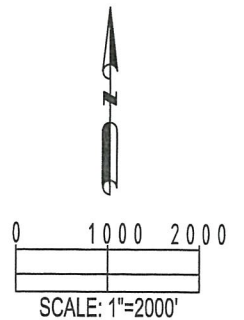
Extraction Oil & Gas, LLC
Synergy Resources Corporation
WYOTEX Drilling Ventures, LLC
Grizzly Petroleum Company, LLC
PDC Energy, Inc.

**THORNTON PAD
PROPOSED 318A.e. SPACING UNIT
S2N2, N2S2 SEC. 29
S2N2, N2S2 SEC. 30**



LEGEND

- = PROPOSED WELL
- ▲ = LANDING POINT
- ✦ = BOTTOM HOLE
- SHL = SURFACE HOLE
- LP = LANDING POINT
- BHL = BOTTOM HOLE



PREPARED BY:
PFS
Petroleum Field Services, LLC
7535 Hilltop Circle
Denver, CO 80221

FIELD DATE:
N/A

DRAWING DATE:
08-19-15

BY:
SNC

CHECKED BY:
WDW

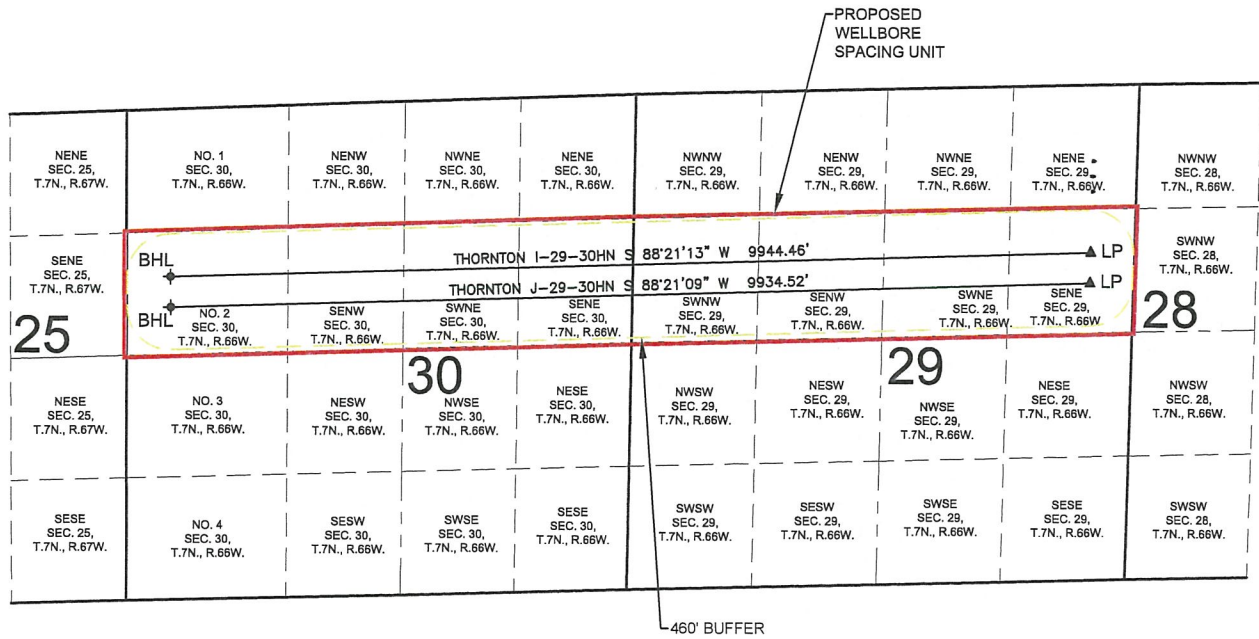
SITE NAME:
THORNTON PAD

SURFACE LOCATION:
SEC. 28, T7N, R66W, 6TH P.M.
WELD COUNTY, COLORADO

PREPARED FOR:

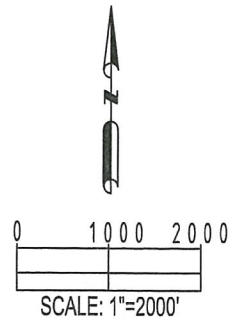
BAYSWATER
EXPLORATION AND PRODUCTION, LLC

THORNTON PAD PROPOSED 318A.e. SPACING UNIT S2N2 SEC. 29, S2N2 SEC. 30



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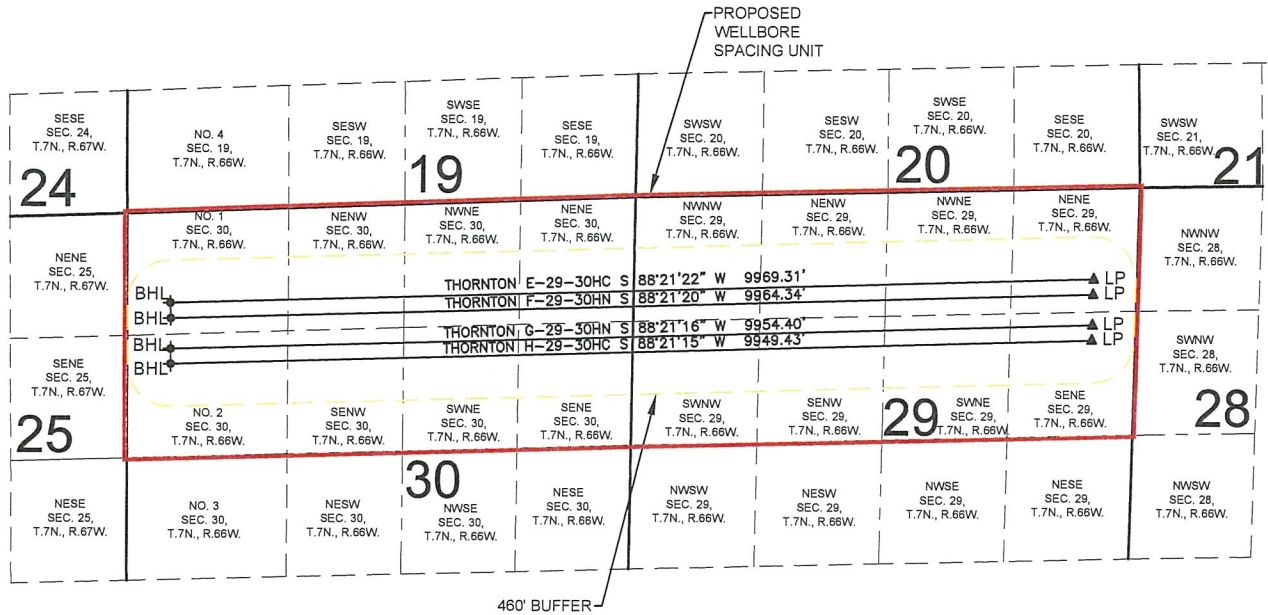
SURFACE LOCATION:
SEC. 28, T7N, R66W, 6TH P.M.
WELD COUNTY, COLORADO

PREPARED FOR:



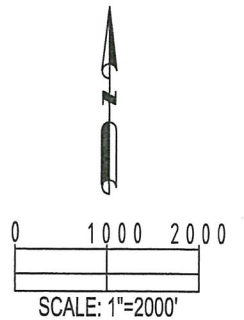
BAYSWATER
EXPLORATION AND PRODUCTION, LLC

THORNTON PAD PROPOSED 318A.e. SPACING UNIT N2 SEC. 29, N2 SEC. 30



LEGEND

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COUNTY, COLORADO.)	

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 October 20, 2016, 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.

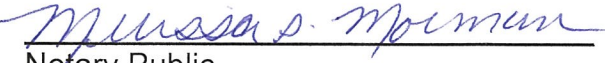


Joseph C. Pierzchala

Subscribed and sworn to before me October 21, 2016.

Witness my hand and official seal.

MELISSA A. MORMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19894012434
MY COMMISSION EXPIRES AUGUST 29, 2017



Notary Public
My commission expires: 8/29/2017