

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

IN THE MATTER OF THE APPLICATION OF)	CAUSE NO. 407
BAYSWATER EXPLORATION & PRODUCTION,)	
LLC FOR AN ORDER ESTABLISHING AN)	DOCKET NO. 170100055
APPROXIMATE 1,280-ACRE DRILLING AND)	
SPACING UNIT AND ESTABLISHING WELL)	TYPE: SPACING AND
LOCATION RULES APPLICABLE TO THE)	INCREASED DENSITY
DRILLING AND PRODUCING OF WELLS FROM)	
THE CODELL AND NIOBRARA FORMATIONS)	
COVERING SECTION 19, TOWNSHIP 6)	
NORTH, RANGE 63 WEST AND SECTION 24,)	
TOWNSHIP 6 NORTH, RANGE 64 WEST, 6TH)	
P.M., WATTENBERG FIELD, WELD COUNTY,)	
COLORADO.)	

APPLICATION

Bayswater Exploration & Production, LLC, Operator No. 10261 ("Applicant") 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") for an order establishing an approximate 1,280-acre drilling and spacing unit and establishing well location rules applicable to the drilling of wells and producing of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations covering certain lands in Weld County, Colorado. In support of its Application, Applicant states as follows:

1. Applicant is a limited liability company duly authorized to conduct business in Colorado.

2. Applicant owns leasehold interests in the following lands ("Application Lands"):

Township 6 North, Range 63 West, 6th P.M.
Section 19: All

Township 6 North, Range 64 West, 6th P.M.
Section 24: All

Weld County, Colorado

A reference map of the Application Lands is attached hereto.

3. On April 27, 1988, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule, which was amended on August 8, 2011 to, among other things, address the drilling of horizontal wells and requires that

a horizontal wellbore spacing unit must include any governmental quarter-quarter section that are located less than 460' from the completed interval of the wellbore lateral. The Rule does not, however, prohibit the establishment of drilling and spacing units within the Greater Wattenberg Area.

4. There are approximately 27 existing vertical or directional wells producing from the Codell and/or Niobrara Formations within the Application Lands, described as follows:

WELL DESCRIPTION	Well Name	Q/Q	SEC	TWN	RNG	Formation	Status
05-123-22317	J & L FARMS 32-19	SWNE	19	6N	63W	NB-CD	PR
05-123-22683	J&L FARMS 31-19	NWNE	19	6N	63W	NB-CD	PR
05-123-22684	J&L FARMS 42-19	SENE	19	6N	63W	NB-CD	PR
05-123-22685	J&L FARMS 41-19	NENE	19	6N	63W	NB-CD	PR
05-123-24331	LARSON USX AA 19-5	SWNW	19	6N	63W	NB-CD	PR
05-123-24332	LARSON USX AA 19-4	NWNW	19	6N	63W	CODL	PR
05-123-24445	THRALL - USX AA 19-13	SWSW	19	6N	63W	NB-CD	PR
05-123-24479	LARSON - USX AA 19-6	SENW	19	6N	63W	CODL	PR
05-123-24480	LARSON USX AA 19-3	NENW	19	6N	63W	NB-CD	PR
05-123-24725	WELLS RANCH-USX AA 19-23	SWSE	19	6N	63W	CODL	PR
05-123-26432	WELLS RANCH - USX AA 19-10	NWSE	19	6N	63W	NB-CD	PR
05-123-26433	WELLS RANCH-USX AA 19-9	NESE	19	6N	63W	NB-CD	PR
05-123-26434	WELL RANCH-USX AA 19-15	SWSE	19	6N	63W	NB-CD	PR
05-123-26435	WELLS RANCH - USX AA 19-16	SESE	19	6N	63W	NB-CD	PR
05-123-26516	THRALL-USX AA 19-25	NWSW	19	6N	63W	NB-CD	PR
05-123-27050	THRALL USX AA 19-14	SESW	19	6N	63W	NB-CD	PR
05-123-27051	THRALL USX AA 19-11	NESW	19	6N	63W	NB-CD	PR
05-123-27052	THRALL -USX AA 19-12	NWSW	19	6N	63W	NB-CD	PR
05-123-24578	ROTH 24-21	NENW	24	6N	64W	NB-CD	PR
05-123-26192	PEPPLER 24-32	NWSW	24	6N	64W	NB-CD	PR
05-123-34145	Larson Farms 5-24	NESW	24	6N	64W	NB-CD	PR
05-123-34146	Larson Farms 6-24	NESW	24	6N	64W	NB-CD	PR
05-123-34147	Larson Farms 3-24	NESW	24	6N	64W	NB-CD	PR
05-123-34148	Larson Farms 4-24	NESW	24	6N	64W	NB-CD	PR
05-123-34149	Larson Farms 7-24	NESW	24	6N	64W	NB-CD	PR
05-123-34359	Larson Farms 1-24	SWNE	24	6N	64W	NB-CD	PR
05-123-34360	Larson Farms 2-24	SWNE	24	6N	64W	NB-CD	PR

These wells will not be affected by the proposed spacing unit and order and will remain subject to applicable Commission rules and spacing orders. Proceeds from the sale of oil or gas from these wells shall continue to be distributed based on the applicable rules and spacing orders.

5. The Codell and Niobrara Formations are a common source of supply under the Application Lands.

6. To promote efficient drainage of the Codell and Niobrara Formations within the Application Lands and to avoid waste, the Commission should establish an approximate 1,280-acre drilling and spacing unit covering the Application Lands described below for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations:

Township 6 North, Range 63 West, 6th P.M.
Section 19: All

Township 6 North, Range 64 West, 6th P.M.
Section 24: All

7. Applicant requests authority to drill and complete one (1) horizontal well in the 1,280-acre drilling and spacing unit described above, with the option to drill and complete up to a total of eight (8) horizontal wells in the unit for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations with the surface location to be located at a legal location in the above-described drilling and spacing unit or on adjacent lands. Applicant further requests that the treated interval of each wellbore be no closer than 150 feet from the treated interval of any other wellbore producing from the Codell and Niobrara Formations, and no closer than 460 feet from a unit boundary, without exception being granted by the Director.

8. Applicant requests authority to drill only those wells necessary to determine the well density which allows the most efficient drainage of the Codell and Niobrara Formations, prevents waste, does not adversely affect correlative rights, and assures the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the Codell and Niobrara Formations. The drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in such drilling and spacing unit. Applicant further maintains that wells drilled in the drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.

9. Applicant requests to drill such wells from one surface location at a legal location on the Application Lands or at a legal location on adjacent lands.

10. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof, and the undersigned certifies that copies of the original Application were served on each interested party as required by Rule 503.e. and 507.b.(1).

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 consistent with Applicant's proposals as set forth above.

Dated this 1st day of December, 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

Applicant's Address:

730 Seventeenth Street, Suite 610

Denver, CO 80202

Attn: Blake Leavitt, CPL

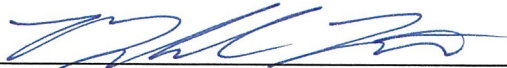
Phone: 303-893-2503

VERIFICATION

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

Blake Leavitt, CPL 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.

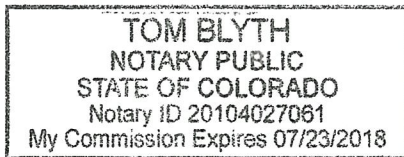
BAYSWATER EXPLORATION &
PRODUCTION, LLC




Blake Leavitt, CPL

Subscribed and sworn to before me this 1st day of December, 2016 by Blake Leavitt, CPL for Bayswater Exploration & Production, LLC.

Witness my hand and official seal.





Notary Public
My Commission Expires: 7/23/2018

EXHIBIT A

INTERESTED PARTIES

Weld County Local Government Designee
Department of Planning Services
Attn: Troy Swain
1555 North 17th Avenue
Greeley, CO 80631

Colorado Department of Public Health and
Environment
Attn: Kent Kuster, Oil and Gas Liaison
4300 Cherry Creek Dr. South
Denver, CO 80246-1530

Colorado Division of Wildlife
Northeast Region Office
6060 Broadway
Denver, CO 80216

[Intentionally left blank, Exhibit A continued on next page.]

EXHIBIT A

Interested Parties

Working Interest Owners

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

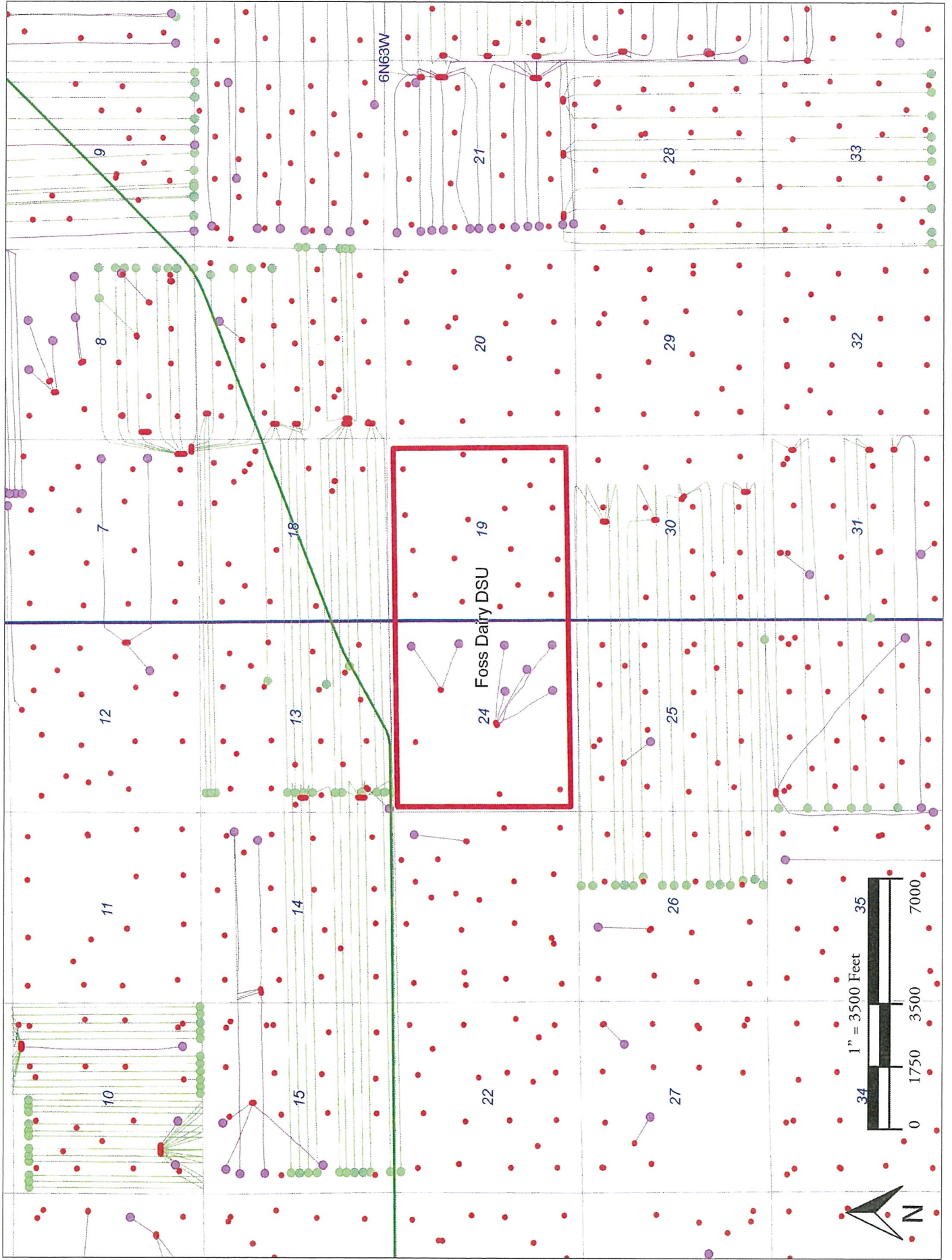
Noble Energy Inc.
Attn: Lesley Sachen
1625 Broadway, Suite 2200
Denver, CO 80202

Noble Energy WyCo, LLC
Attn: Lesley Sachen
1625 Broadway, Suite 2200
Denver, CO 80202

Unleased Mineral Owners

Anadarko Land Corp.
Attn: Land Department
1099 18th Street, Suite 1800
Denver, CO 80202

Foss Dairy DSU Application



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P.M., WATTENBERG FIELD, WELD COUNTY,)
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CAUSE NO. 407
DOCKET NO. 170100055
TYPE: SPACING AND
INCREASED DENSITY

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:

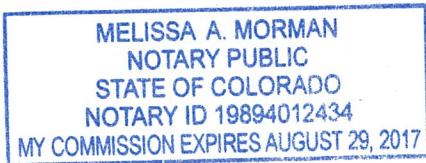
That I am the attorney for Bayswater Exploration & Production, LLC and that on or before December 2, 2016, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties on the Exhibit A to the Application.



Joseph C. Pierzchala

Subscribed and sworn to before me December ^{2nd}, 2016.

Witness my hand and official seal.





Notary Public
My commission expires: 8/29/2017