

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

IN THE MATTER OF THE **AMENDED**)
APPLICATION OF BAYSWATER)
EXPLORATION & PRODUCTION, LLC FOR AN)
ORDER ESTABLISHING AN APPROXIMATE)
640-ACRE DRILLING AND SPACING UNIT AND)
ESTABLISHING WELL LOCATION RULES)
APPLICABLE TO THE DRILLING AND)
PRODUCING OF WELLS FROM THE CODELL)
AND NIOBRARA FORMATIONS COVERING)
CERTAIN LANDS IN TOWNSHIP 7 NORTH,)
RANGE 65 WEST, 6TH P.M., WELD COUNTY,)
COLORADO.)

Cause No. 407
Docket No. 170700472
Type: SPACING

AMENDED APPLICATION

Bayswater Exploration & Production, LLC (“Bayswater” or “Applicant”), Operator No. 10261, by its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this **Amended Application** to the Oil and Gas Conservation Commission of the State of Colorado (“Commission”) for an order establishing an approximate **640-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 **Amended Application**, Applicant states as follows:

1. Applicant owns leasehold interests in the following lands (“**Application Lands**”):

Township 7 North, Range 65 West, 6th P.M.
Section 29: **SW¼ W½**
Section 32: **W½**

A reference map of the Application Lands is attached hereto.

2. 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. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of the Greater Wattenberg Area. The Rule does not, however, prohibit the establishment of drilling and spacing units within the Greater Wattenberg Area.

3. On October 27, 2014, the Commission entered Order No. 407-1153, which pooled all interests in four designated Rule 318A horizontal wellbore spacing units including the Schmunk EF #31-361HN Well (API No. 05-123-38932), which includes the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 31 and the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 32, Township 7 North, Range 65 West, 6th P.M. (the "Schmunk WSU") for the production of oil and gas from the Niobrara Formation. The Schmunk WSU will not be affected by the proposed drilling and spacing unit and will remain subject to Order No. 407-1153 such that proceeds from the sale of oil or gas from that well shall continue to be distributed based on Order 407-1153, and the Schmunk WSU will not share in production from the proposed drilling and spacing unit.

4. On July 20, 2015, the Commission entered Order No. 407-1400, which subjected additional parties to Order No. 407-1153 for the Schmunk WSU.

5. Applicant has drilled, tested and completed wells in the Codell and Niobrara Formations on lands in close proximity to the **Application Lands**.

6. There are vertical and directional wells within the above-described **640-acre** drilling and spacing unit producing from, *inter alia*, the Codell and Niobrara Formations. Applicant is the Operator of certain of these wells, which Applicant intends to continue to produce pursuant to applicable rules and spacing orders. For those vertical and directional wells which Applicant is not the operator, Applicant states those wells will not be affected by the proposed spacing unit and order and will remain subject to applicable Commission rules and spacing orders such that proceeds from the sale of oil or gas from those wells shall continue to be distributed based on the applicable rules and spacing orders.

7. To promote efficient drainage of the Codell and Niobrara Formations within the **Application Lands** and to avoid waste, the Commission should establish an approximate **640-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 7 North, Range 65 West, 6th P.M.
Section 29: SW $\frac{1}{4}$ W $\frac{1}{2}$
Section 32: W $\frac{1}{2}$

8. Applicant is requesting to drill and complete one (1) horizontal well in the above-described approximate **640-acre** drilling and spacing unit 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 in the **Application Lands** 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/or Niobrara formations, and no closer than 460 feet from the unit boundary, without exception being granted by the Director.

9. 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 proposed drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the authorized wells in such drilling and spacing unit. Applicant further maintains that wells drilled in the above-proposed drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners. Applicant states that the proposed drilling and spacing unit and number of wells will not have an adverse effect on public, health, safety, and welfare.

10. Applicant states that the wells be drilled from one well pad located within the unit and/or from a legal location on adjacent lands, without exception granted by the Director.

11. 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 this **Amended** Application shall be served on each interested party within seven days after filing of the original application as required by Rules 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 12th day of **July**, 2017.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: 

Joseph C. Pierzchala
Geoffrey W. Storm
Welborn Sullivan Meck & Tooley, P.C.
Attorneys for Applicant
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Denver, CO 80202
303-830-2500
jpierzchala@wsmtlaw.com
gstorm@wsmtlaw.com

Applicant's Address:

Bayswater Exploration & Production, LLC
730 17th Street, Suite 610
Denver, CO 80202
Attn: Blake Leavitt, Senior Landman
Phone: 303-893-2503

VERIFICATION

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

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

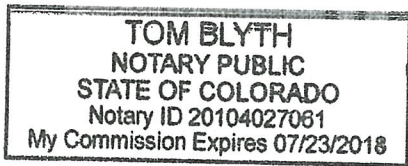
BAYSWATER EXPLORATION &
PRODUCTION, LLC



Blake Leavitt, Senior Landman

Subscribed and sworn to before me this 11th day of July, 2017 by Blake Leavitt, Senior Landman for Bayswater Exploration & Production, LLC

Witness my hand and official seal.





Notary Public
My Commission Expires: 7/23/2018

EXHIBIT A

INTERESTED PARTIES

Town of Eaton

Gary A. Carsten
223 First Street
Eaton, CO 80615

Weld County Department of Planning Services

Troy Swain
1555 North 17th Avenue
Greeley, CO 80631

Colorado Department of Public Health and Environment

Kent Kuster
4300 Cherry Creek Drive South
Denver, CO 80246-1500

Colorado Parks and Wildlife

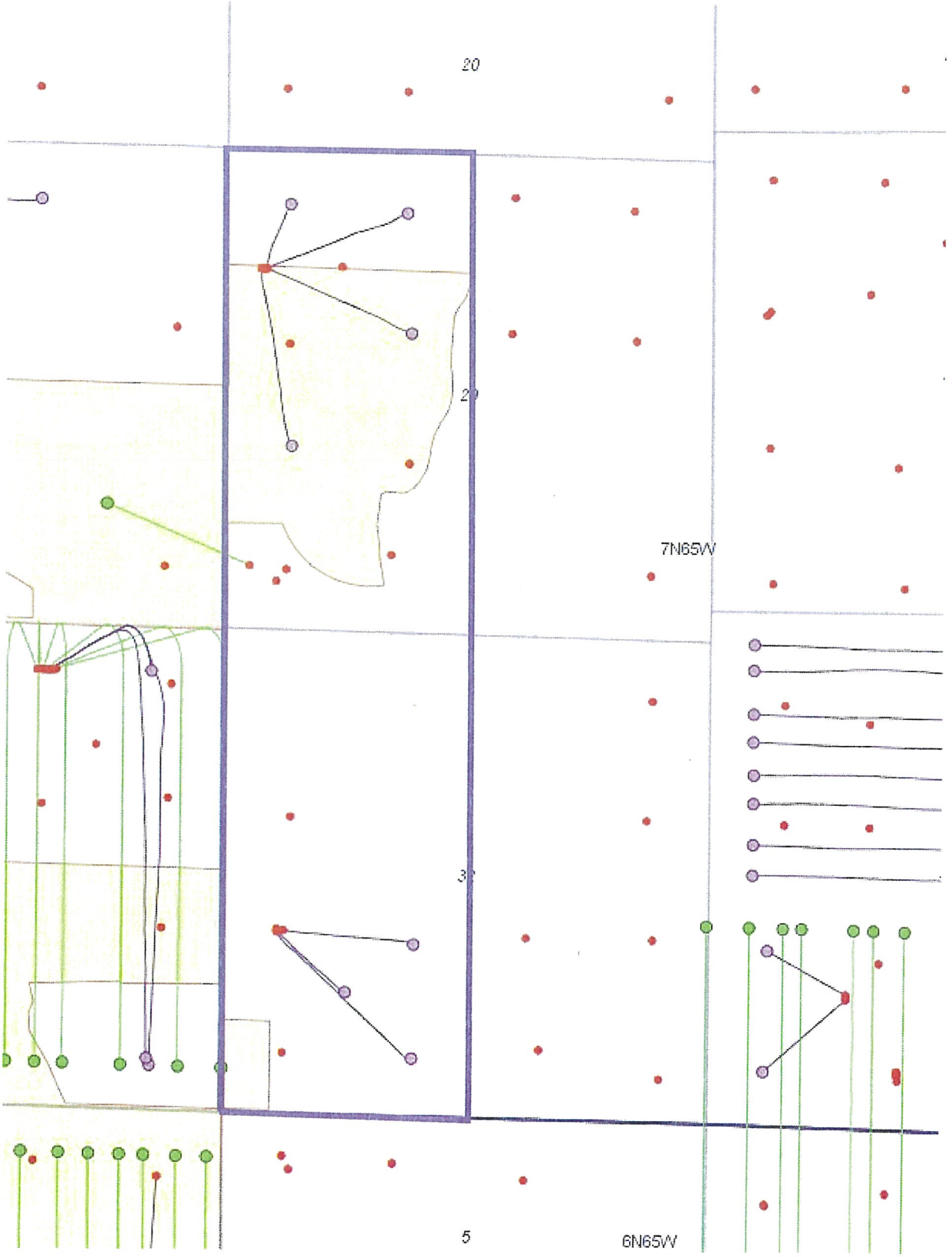
Brandon Marette
Northeast Region Office
6060 Broadway
Denver, CO 80216

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EXHIBIT A CONTINUED ON NEXT PAGE

EXHIBIT A

INTERESTED PARTIES

Alpha Energy Group
Aluma Energy LLC
Bayswater Exploration & Production, LLC
Bayswater Blenheim Holdings, LLC
Bayswater Blenheim Holdings II, LLC
Captain C. McIntyre & Sandra L. McIntyre
Conquest Oil Company
Dimas Mederos and Janine Mederos, JT
Gary C Flack And Virginia G. Flack, JT
Green Oil Energy LLC
Grizzly Petroleum Company, LLC
James E. Christiansen
Javan D. Ottoson, As Personal Representative Of The Estate Of Natalie E. Ottoson,
Deceased
Kay R. Collins & Ryan P. Gallatin, JT
Noble Energy, Inc.
PDC Energy, Inc.
Richard L. Kochis
Shoreline Energy Holdings II
Virgil N. Ottinger & Olena W. Ottinger
Wytex Oil Co



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

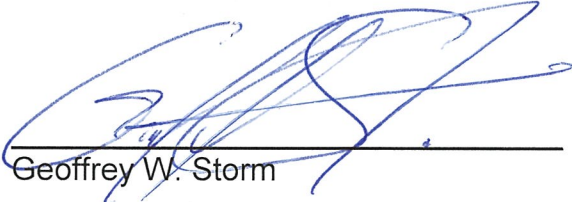
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| LOCATION RULES APPLICABLE TO THE |) | |
| DRILLING AND PRODUCING OF WELLS |) | |
| FROM THE CODELL AND NIOBRARA |) | |
| FORMATIONS COVERING CERTAIN LANDS |) | |
| IN TOWNSHIP 7 NORTH, RANGE 65 WEST, |) | |
| 6TH P.M., WELD COUNTY, COLORADO. |) | |

AFFIDAVIT OF MAILING

STATE OF COLORADO §
 §
 CITY AND COUNTY OF DENVER §

I, Geoffrey W. Storm, 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 July 18, 2017, 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.



 Geoffrey W. Storm

Subscribed and sworn to before me July 26, 2017.

Witness my hand and official seal.

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

Melissa A. Norman

 Notary Public
 My commission expires: 8/29/2017