

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

IN THE MATTER OF AN APPLICATION OF	)	CAUSE NO. 407
BAYSWATER EXPLORATION &	)	
PRODUCTION, LLC FOR AN ORDER	)	DOCKET NO. 180900674
POOLING ALL INTERESTS IN THE	)	
NIOBARRA AND CODELL FORMATIONS	)	TYPE: POOLING
IN THREE APPROXIMATE 640-ACRE	)	
RULE 318A DESIGNATED WELLBORE	)	
SPACING UNITS COVERING THE S½S½	)	
SECTION 25, THE S½S½ OF SECTION 26,	)	
THE N½N½ OF SECTION 35, AND THE	)	
N½N½ OF SECTION 36, TOWNSHIP 7	)	
NORTH, RANGE 66 WEST, 6TH P.M.,	)	
WATTENBERG FIELD, WELD COUNTY,	)	
COLORADO	)	

APPLICATION

Bayswater Exploration & Production, LLC (“Bayswater” or “Applicant”), Operator No. 10261, on behalf of Bayswater Resources LLC and Bayswater Fund III-A, LLC, by 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 three approximate 640-acre designated Rule 318A wellbore spacing units covering the S½S½ of Sections 25 and Section 26 and the N½N½ of Sections 35 and 36, Township 7 North, Range 66 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell Formations. In support thereof, the Applicant states:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado and is a registered operator in good standing with the Commission.

2. Bayswater Resources LLC and Bayswater Fund III-A, LLC own oil and gas leasehold interests in the following lands (“Application Lands”), are therefore owners of an interest in the mineral estate of the tracts to be pooled with standing to maintain this application pursuant to Commission Rule 503.b.(2), and have granted operating rights to Bayswater and authorized Bayswater to file this application on their behalf:

**WSU Nos. 1, 2, 3**

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

Section 25: S $\frac{1}{2}$ S $\frac{1}{2}$

Section 26: S $\frac{1}{2}$ S $\frac{1}{2}$

Section 35: N $\frac{1}{2}$ N $\frac{1}{2}$

Section 36: N $\frac{1}{2}$ N $\frac{1}{2}$

640.00 acres more or less

A reference map of the Application Lands is attached as Exhibit B hereto.

3. On April 27, 1988, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule. 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 in 2Q-3Q of 2018, each of which is located in a separate Wellbore Spacing Unit ("WSU") established pursuant to Rule 318A:

(a) **WSU No. 1:** KTC Farms A-35-36HN Well (API# 05-123-47272), Niobrara Formation;

(b) **WSU No. 2:** KTC Farms B-35-36HC Well (API# 05-123-47271), Codell Formation;

(c) **WSU No. 3:** KTC Farms BA-35-36HN Well (API# 05-123-47270), Niobrara Formation

(collectively, the "Wells").

5. Pursuant to the relevant provisions of Section 34-60-116(6) & (7), C.R.S., as amended, and Commission Rule 530, Applicant seeks an order pooling all interests in the Application Lands for the development and operation of the Niobrara Formation in WSU Nos. 1 and 3, and the Codell Formation in WSU No. 2.

6. Applicant certifies that, at least sixty (60) days prior to the date of the hearing 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 Section 34-60-116(7), C.R.S. and Commission 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 Wells.

7. Applicant requests that a pooling order be entered as a result of this Application, 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 Wells, and that the order specify that a nonconsenting owner is immune from liability for costs arising from spills, releases, damage, or injury resulting from oil and gas operations on the unit.

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., as amended, and the Commission rules.

9. 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 sixty (60) days prior to the date of the hearing for this Application, each owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the Wells, and will be provided with the information required by Section 34-60-116(7), C.R.S. and Commission 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 in WSU Nos. 1 and 3;

B. Pooling all interests in the Application Lands for the development and operation of the Codell Formation in WSU No. 2

C. 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 within the unit:

(a) **WSU No. 1:** KTC Farms A-35-36HN Well (API# 05-123-47272), Niobrara Formation;

(b) **WSU No. 2:** KTC Farms B-35-36HC Well (API# 05-123-47271), Codell Formation;

(c) **WSU No. 3:** KTC Farms BA-35-36HN Well (API# 05-123-47270), Niobrara 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 Wells, are pooled and deemed nonconsent by operation of statute, pursuant to Section 34-60-116(7), C.R.S., and made subject to the cost recovery provisions thereof.

D. Providing that any nonconsenting owners within the WSUs are immune from liability for costs arising from spills, releases, damage, or injury resulting from oil and gas operations on the unit.

E. For such other findings and orders as the Commission may deem proper or advisable in the Application Lands.

Dated this 19 day of July, 2018

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: \_\_\_\_\_

  
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Geoffrey W. Storm  
Welborn Sullivan Meck & Tooley, P.C.  
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Denver, CO 80202  
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jpierzchala@wsmtlaw.com  
gstorm@wsmtlaw.com

Applicant's Address:

730 17th Street, Suite 500  
Denver, Colorado 80202  
Attn: Tyler Hammond, Landman  
Phone: 720.881.4504



EXHIBIT A

INTERESTED PARTIES

Non-Consent Working Interest Owners

PDC Energy, Inc.  
Grizzly Petroleum Company, LLC  
Extraction Oil & Gas, Inc.  
Bell & Associates Land Leasing

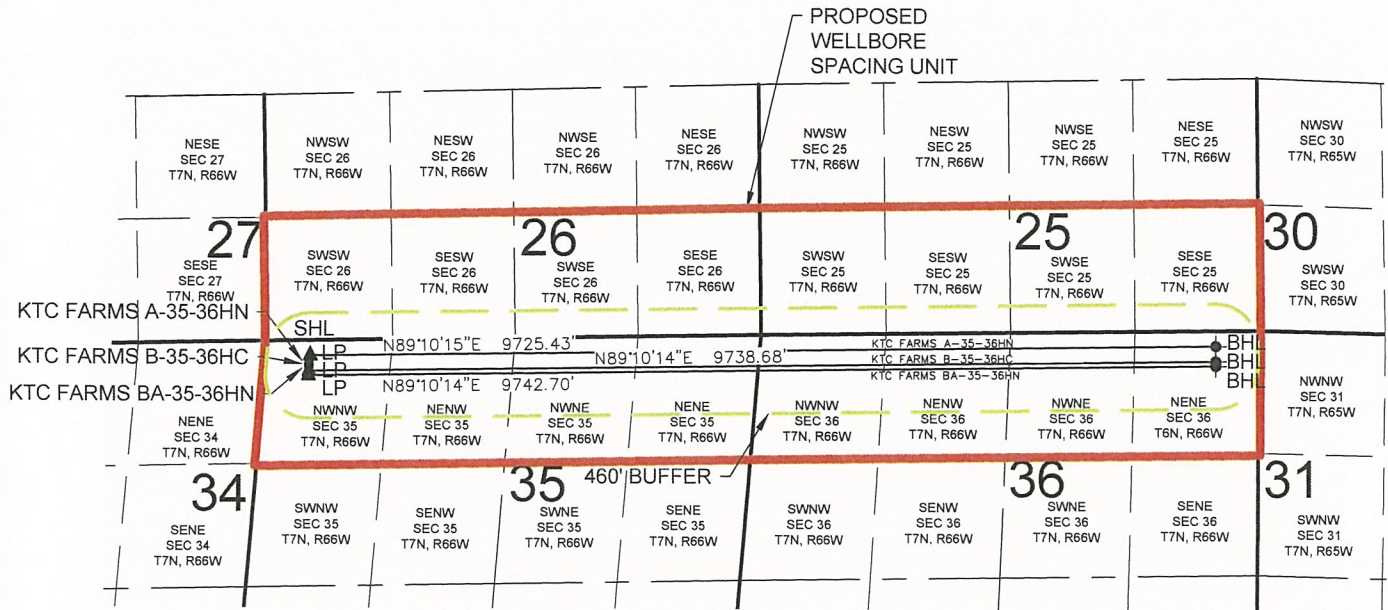
Consenting Working Interest Owners

Bayswater Resources LLC  
Bayswater Fund III-A, LLC

Leased Mineral Owners

WB2, LLC  
Sandra Joseph, fka Sandra Miller  
Susan Miller  
Haythorn Bros., LLLP  
Steven Ray Armknecht and Rhonda Jean Armknecht, joint tenants  
Gordon Dennis Goodell  
Gina Debra Scheid  
Winter Family Farms, LLC  
Colorado Department of Transportation  
Glenn C. Leffler and Lee Shannon Leffler, joint tenants  
Kindsfater Farms, LLC  
Kirk A. Kindsfater and Debora J. Kindsfater, joint tenants  
Kip Michael Kaveny and Marjorie A. Kaveny, joint tenants  
Judy Janelle Kaveny aka Jill Kaveny  
Patrick L. Kaveny Living Trust, dated December 2, 2015  
Duwain D. Kaveny  
Roger A. Kaveny Trust  
Brian L. Kaveny Trust  
Gerry Kaveny  
Russell D. Leffler  
KTC Farm, LLC  
Noffsinger Manufacturing Co.  
Arlen Anderson and Vickie Anderson, joint tenants  
Thomas K. Wilson  
Charles D. Wilson  
Karen S. Johnson aka Karen Wilson Johnson  
Jack Cazer, Jr.  
Kristin R. Cazer  
North Haythorn Farms Limited Partnership, RLLLP

**KTC FARMS 35-A PAD**  
**PROPOSED 318A.a.(4)D. SPACING UNIT**  
 SEC 25 & 26: S2S2  
 SEC 35 & 36: N2N2

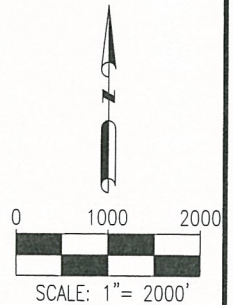


**KTC FARMS A-35-36HN WELL TO BE LOCATED 252' FNL AND 465' FWL, SEC 35, T7N, R66W**  
**KTC FARMS B-35-36HC WELL TO BE LOCATED 267' FNL AND 466' FWL, SEC 35, T7N, R66W**  
**KTC FARMS BA-35-36HN WELL TO BE LOCATED 282' FNL AND 467' FWL, SEC 35, T7N, R66W**

**LEGEND**

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

DISCLAIMER:  
 THIS PLOT DOES NOT REPRESENT A MONUMENTED LAND SURVEY AND SHOULD NOT BE  
 RELIED UPON TO DETERMINE BOUNDARY LINES, PROPERTY OWNERSHIP OR OTHER  
 PROPERTY INTERESTS. PARCEL LINES, IF DEPICTED HAVE NOT BEEN FIELD VERIFIED AND  
 MAY BE BASED UPON PUBLICLY AVAILABLE DATA THAT ALSO HAS NOT BEEN  
 INDEPENDENTLY VERIFIED.



7535 Hilltop Circle  
 Denver, CO 80221  
 (303) 928-7128  
 www.ascentgeomatics.com

FIELD DATE: 06-01-17	SITE NAME: KTC FARMS 35-A PAD
DRAWING DATE: 11-13-17	SURFACE LOCATION: NW 1/4 NW 1/4, SEC. 35, T7N, R66W, 6TH P.M.
BY: DP	CHECKED: CSG
WELD COUNTY, COLORADO	

PREPARED FOR:

**BAYSWATER**  
 EXPLORATION AND PRODUCTION, LLC

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

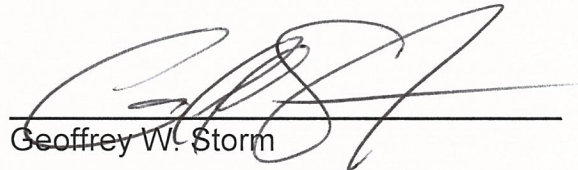
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WATTENBERG FIELD, WELD COUNTY,	)	
COLORADO	)	

AFFIDAVIT OF MAILING

STATE OF COLORADO                   §  
  §  
CITY AND COUNTY OF DENVER       §

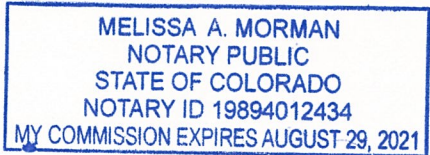
I, Geoffrey W. Storm, of lawful age, and being first duly sworn upon my oath, state and declare:

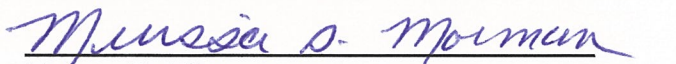
That I am the attorney for Bayswater Exploration & Production, LLC and that on or before July 26 2018, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

  
\_\_\_\_\_  
Geoffrey W. Storm

Subscribed and sworn to before me July 26, 2018.

Witness my hand and official seal.



  
\_\_\_\_\_  
Notary Public  
My commission expires: 8/29/2021