



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 ESTABLISHING AN )  
APPROXIMATE 480-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

APPLICATION

Bayswater Exploration & Production, LLC ("Bayswater" or "Applicant"), Operator No. 10261, 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") for an order establishing an approximate 480-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 owns leasehold interests in the following lands ("Application Lands"):

Township 7 North, Range 65 West, 6th P.M.  
Section 29: SW¼  
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 a four designated Rule 318A horizontal wellbore spacing units including the

Schmunk EF #31-361HN Well (API No. 05-123-38932), which includes the E½E½ of Section 31 and the W½W½ 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 480-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 480-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: SW¼

Section 32: W½

8. Applicant is requesting to drill and complete one (1) horizontal well in the above-described approximate 480-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.

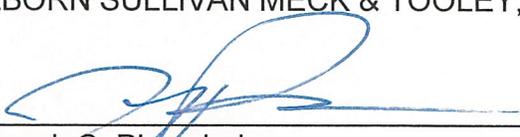
11. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof, and the undersigned certifies that copies of this Application shall be served on each interested party within seven days after 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 25th day of May, 2017.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: 

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

Applicant's Address:

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



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

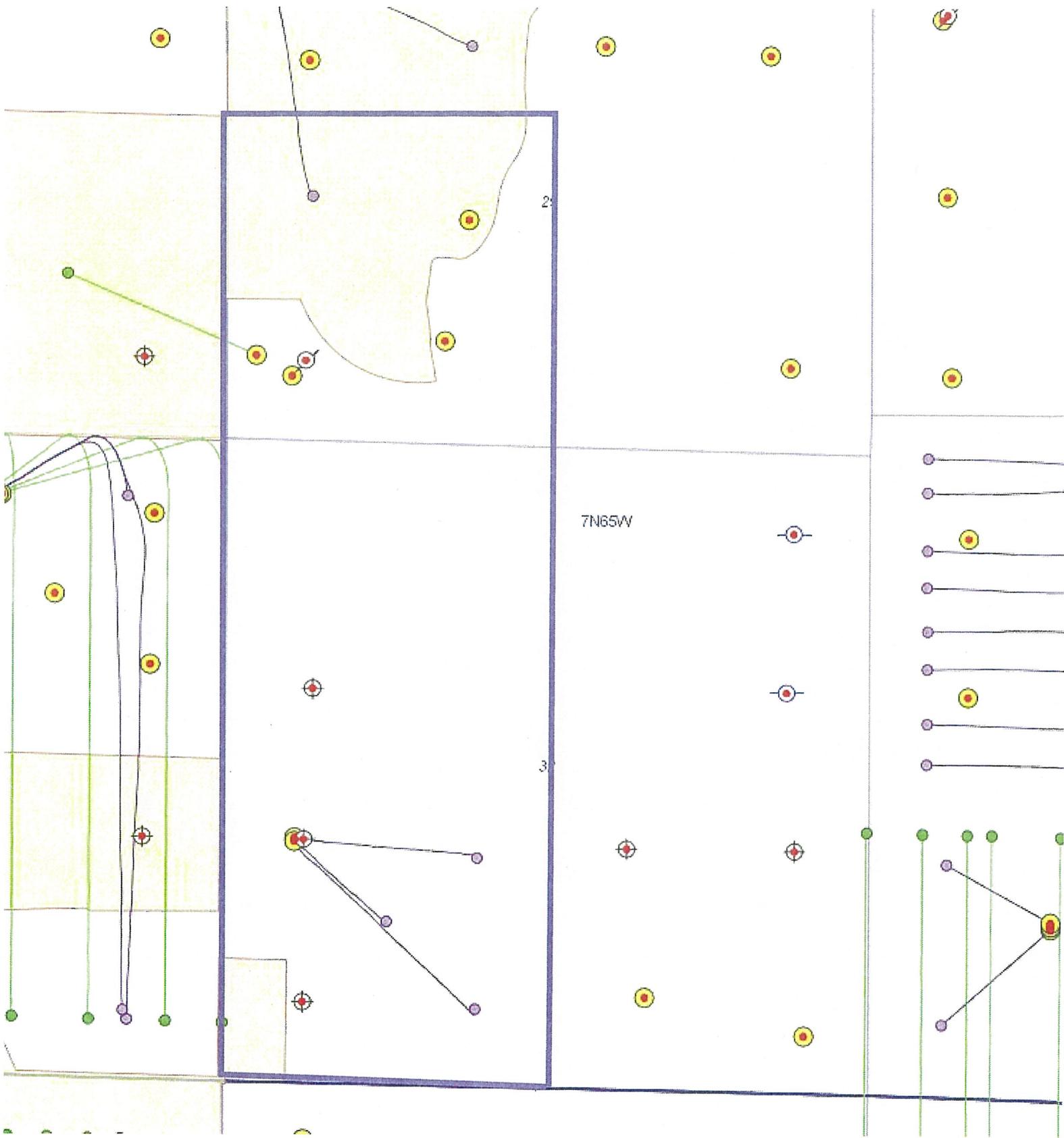
**Colorado Parks and Wildlife**  
Brandon Marette  
Northeast Region Office  
6060 Broadway  
Denver, CO 80216

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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  
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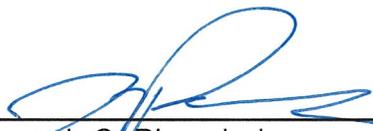
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PRODUCTION, LLC FOR AN ORDER	)	Docket No. 170700472
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ACRE DRILLING AND SPACING UNIT AND	)	Type: SPACING
ESTABLISHING WELL LOCATION RULES	)	
APPLICABLE TO THE DRILLING AND	)	
PRODUCING OF WELLS FROM THE	)	
CODELL AND NIOBRARA FORMATIONS	)	
COVERING CERTAIN LANDS IN TOWNSHIP	)	
7 NORTH, RANGE 65 WEST, 6TH P.M.,	)	
WELD COUNTY, COLORADO.	)	

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:

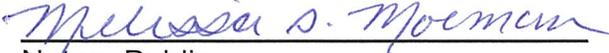
That I am the attorney for Bayswater Exploration & Production, LLC and that on or before June 1, 2017, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

  
 \_\_\_\_\_  
 Joseph C. Pierzchala

Subscribed and sworn to before me June 1, 2017.

Witness my hand and official seal.

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

  
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 Notary Public  
 My commission expires: 8/29/2017