

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

IN THE MATTER OF THE APPLICATION OF) BAYSWATER EXPLORATION &) PRODUCTION, LLC FOR A HEARING ON) RULE 318A.e.(5)B. OBJECTIONS TO TWELVE) HORIZONTAL WELLBORE SPACING UNITS) COVERING CERTAIN LANDS IN TOWNSHIP 7) NORTH, RANGE 65 WEST, 6th P.M., WELD) COUNTY, COLORADO.)	Cause No. _____ Docket No. 170700____ Type: HEARING ON RULE 318A.e.(5) OBJECTION
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APPLICATION

Bayswater Exploration & Production, LLC (“Applicant”), Operator No. 10261, by its attorneys, Welborn Sullivan Meck & Tooley, P.C., and pursuant to Rule 318A.e.(5)C., respectfully submits this verified Application to the Oil and Gas Conservation Commission of the State of Colorado (“Commission”) for a hearing on the Rule 318A.e.(5)B. objections of Noble Energy, LLC (“Noble”), Grizzly Petroleum Company, LLC (“Grizzly”), and Great Western Operation Company, LLC’s (“GWOC”) to Applicant’s twelve proposed Rule 318A horizontal wellbore spacing units.

1. On April 10, 2017, pursuant to Rule 318A.e.(5), Applicant sent to Noble, Grizzly, and GWOC via certified mail, return receipt requested, Rule 318A.a.(4)D. Proposed Horizontal GWA Well proposals and Rule 318A.e.(5) 30-day Mineral Owner Notifications for twelve horizontal wellbore spacing units comprised of the following lands to accommodate the following wells for production of oil and gas and associated hydrocarbons from the Codell and Niobrara Formations:

WELLBORE SPACING UNIT/WELL NAME TOWNSHIP 7 NORTH, RANGE 65 WEST, 6th P.M.

Reeman A-32-29HN Reeman B-32-29HC Reeman C-32-29HN Reeman D-32-29HN Reeman E-32-29HC Reeman F-32-29HN Reeman G-32-29HN Reeman H-32-29HC	Section 29: W½SW¼ Section 30: E½SE¼ Section 31: E½E½ Section 32: W½W½ Section 29: W½SW¼ Section 32: W½W½ Section 29: SW¼ Section 32: W½
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Reeman I-32-29HN Section 29: E $\frac{1}{2}$ SW $\frac{1}{4}$
Section 32: E $\frac{1}{2}$ W $\frac{1}{2}$

Reeman J-32-29HN Section 29: W $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$
Reeman K-32-29HC Section 32: W $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$
Reeman L-32-29HN

(the "Reeman WSUs"). Attached as **Exhibit 1**¹ are Applicant's Rule 318A.a.(4)D. Proposed Horizontal GWA Well proposals and Rule 318A.e.(5) 30-day Mineral Owner Notifications for the Reeman WSUs.

2. On May 10, 2017, pursuant Rule 318A.e.(5)B., Noble objected to all twelve of the proposed Reeman WSUs alleging that Bayswater is not an owner in the SW $\frac{1}{4}$ of Section 29 and therefore cannot proceed with Applications for Permit to Drill for the Reeman WSUs and that the Reeeman WSUs "may result in suboptimal orientation of surrounding future horizontal wells which would result in hydrocarbon waste." A copy of Noble's objection is attached as **Exhibit 2**.

3. On May 11, 2017, pursuant Rule 318A.e.(5)B, Grizzly and GWOC, both under common ownership and control and affiliates of Great Western Oil & Gas Company, jointly objected to the proposed Reeman A-32-29HN horizontal wellbore spacing unit alleging that the north-south orientation of the Reeman A-32-29HN is suboptimal in this area of the DJ Basin and will result in both physical and hydrocarbon waste, and will harm correlative rights." A copy of the Grizzly and GWOC objection is attached as **Exhibit 3**.

4. Applicant is aware of no other objections to the Reeman WSUs.

5. Rule 318A.e.(5)C. provides that:

[i]f an objection pursuant to subsection B. is timely received, the operator may seek a hearing before the Commission on the objection. The objecting party will bear the burden of proving that the notice provided by the operator does not comply with the informational requirements of subsection A., above, that the operator is not an owner, as defined by the Act, and/or the approval of the boundary well location, wellbore spacing unit, horizontal well, horizontal wellbore spacing unit or additional producing formation would either create waste or adversely affect the objecting party's correlative rights. The objection may be first presented to the hearing officer of the Commission and such hearing officer, based on the facts, may recommend to the Commission that such objection shall stand or be dismissed.

¹ Duplicate attachments to the exhibits have been attached only once.

6. Therefore, pursuant to Rule 318A.e.(5)C, Applicant requests a hearing before the Commission on the objections of Noble, Grizzly, and GWOC to the proposed Reeman WSUs.

WHEREFORE, Bayswater Exploration & Production, LLC respectfully requests that this matter be set for hearing, that notice be given as required by law and that, upon such hearing, the Commission dismiss the objections of Noble, Grizzly, and GWOC and award Bayswater such further relief as the Commission deems just and proper.

Dated this 25th day of May, 2017

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: _____

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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 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 _____ day of May, 2017 by Blake Leavitt, Senior Landman for Bayswater Exploration & Production, LLC

Witness my hand and official seal.

Notary Public
My Commission Expires:_____

CERTIFICATE OF SERVICE

I hereby certify that, on May 25, 2017, I caused a copy of the APPLICATION to be served via electronic mail to Counsel for Noble Energy, Inc., Grizzly Petroleum Company, LLC, Great Western Operating Company, LLC, and the Colorado Oil and Gas Conservation Commission and by U.S. Mail at the addresses listed below.

Via electronic mail and courier

Colorado Oil and Gas Conservation Commission
ATTN: Peter Gowen and Jane Stanczyk
1120 Lincoln Street, Suite 810
Denver, CO 80203
peter.gowen@state.co.us
jane.stanczyk@state.co.us

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