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Document Number:
 400190857
 PluggingBond SuretyID
 20080034

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL
 OIL GAS COALBED OTHER _____
 SINGLE ZONE MULTIPLE COMMINGLE

Refiling
 Sidetrack

3. Name of Operator: BAYSWATER EXPLORATION AND PRODUCTION LLC 4. COGCC Operator Number: 10261
 5. Address: 730 17TH ST STE 610
 City: DENVER State: CO Zip: 80202
 6. Contact Name: Kallasandra Moran Phone: (303)928-7128 Fax: (303)962-6237
 Email: Kmoran@petro-fs.com
 7. Well Name: Booth Well Number: 15-26
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 7479

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 35 Twp: 7N Rng: 65W Meridian: 6
 Latitude: 40.537532 Longitude: -104.627150
 Footage at Surface: 151 feet FNL/FSL FNL 1848 feet FEL/FWL FEL
 11. Field Name: Wattenberg Field Number: 90750
 12. Ground Elevation: 4834 13. County: WELD

14. GPS Data:
 Date of Measurement: 07/07/2011 PDOP Reading: 1.9 Instrument Operator's Name: Chris Boub/ PFS

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**
 Footage at Top of Prod Zone: FNL/FSL 670 FSL 2010 FEL FEL Bottom Hole: FNL/FSL 670 FSL 2010 FEL FEL
 Sec: 26 Twp: 7N Rng: 65W Sec: 26 Twp: 7N Rng: 65W

16. Is location in a high density area? (Rule 603b)? Yes No
 17. Distance to the nearest building, public road, above ground utility or railroad: 150 ft
 18. Distance to nearest property line: 151 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 910 ft

LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Codell	CODL		40	SWSE
Niobrara	NBRR		40	SWSE

21. Mineral Ownership: Fee State Federal Indian Lease #: _____
 22. Surface Ownership: Fee State Federal Indian
 23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#: _____
 23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No

23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

S/2 Sec. 26 T7N R65W

25. Distance to Nearest Mineral Lease Line: 154 ft 26. Total Acres in Lease: 153

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? Yes No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No

31. Mud disposal: Offsite Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: Land Farming Land Spreading Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	8+5/8	24	0	640	364	640	0
1ST	8+7/8	4+1/2	11.6	0	7,479	868	7,479	0

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None

33. Comments No conductor casing will be set. An E&P Waste Management Plan is in process and will be submitted under separate cover for approval. The location does NOT require a variance from any of the rules listed in Rule 306.d. (1). (A). (ii). The location is NOT in a restricted surface occupancy area. The location is NOT a sensitive wildlife habitat area. Operator requests approval of Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. SUA approves location.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan? Yes No

36. Is this application part of submitted Oil and Gas Location Assessment? Yes No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Kallasandra Moran

Title: Regulatory Analyst Date: 8/20/2011 Email: Kmoran@petro-fs.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: David S. Neslin Director of COGCC Date: 10/16/2011

API NUMBER

05 123 34532 00

Permit Number: _____ Expiration Date: 10/15/2013

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

Derrick height (ground to crown) cannot exceed 100 feet due to close proximity to pulic road per Rule 603a1.

1)Note surface casing setting depth change from 520' to 640'. Increase cement coverage accordingly and cement to surface.

2)Provide 48 hour notice of MIRU to Jim Precup at 303-726-3822 or e-mail at jim.precup@state.co.us.

3)Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.

4)Comply with Rule 321. Run and submit Directional Survey from the end of production casing to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Attachment Check List

Att Doc Num	Name
2481140	DIRECTIONAL SURVEY
2531235	LEASE MAP
2531253	EXCEPTION LOC REQUEST
2531262	SURFACE AGRMT/SURETY
400190857	FORM 2 SUBMITTED
400190875	TOPO MAP
400190876	WELL LOCATION PLAT
400198257	DEVIATED DRILLING PLAN

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Recieved exception loc request and SUA.	10/11/2011 2:19:30 PM
Permit	Recieved verification that the surface owner is mineral owner.	10/5/2011 3:33:29 PM
Permit	Need written verification that surface owner is the mineral owner.	8/26/2011 10:03:44 AM
Permit	Derrick height (ground to crown) cannot exceed 100 feet due to close proximity to pulic road per Rule 603a1.	8/22/2011 3:17:36 PM
Permit	On hold Permit needs a better lease description. 80 acre lease description may not be applicable. Need lease map	8/22/2011 3:04:30 PM
Permit	On hold Need surface waiver for being outside the drilling window or an SUA.	8/22/2011 3:02:34 PM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Construction	<p>Remove only the minimum amount of vegetation necessary for the construction of roads and facilities.</p> <p>Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation.</p> <p>No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.</p>
Site Specific	<p>Fence the well site after drilling to restrict public and wildlife access.</p> <p>Keep well site location, the road, and the pipeline easement free of noxious weeds, litter and debris.</p> <p>Spray for noxious weeds, and implement dust control, as needed.</p> <p>Bayswater Exploration and Production, LLC will not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's Land.</p> <p>Construct and maintain gates where any roads used by Bayswater Exploration and Production, LLC cross through fences on the leased premises.</p>
Storm Water/Erosion Control	<p>Use water bars, and other measures to prevent erosion and non-source pollution.</p> <p>Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation.</p> <p>Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).</p>
Final Reclamation	<p>All surface restoration shall be accomplished to the satisfaction of Owner.</p> <p>All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.</p> <p>Final reclamation shall be completed to the reasonable satisfaction of the Owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC).</p>
Drilling/Completion Operations	<p>Use a closed-loop drilling mud system to preclude the use of an earthen reserve pits when available.</p>
Interim Reclamation	<p>Utilize only such area around each producing well as is reasonably necessary.</p> <p>Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations.</p> <p>All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.</p>
Planning	<p>When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.</p>

Total: 7 comment(s)