

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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| DE | ET | OE | ES |
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Document Number:

400046867

Plugging Bond Surety

20070004

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
SINGLE ZONE ☒ MULTIPLE ZONE ☐ COMMINGLE ZONE ☐

Refiling ☐

Sidetrack ☐

3. Name of Operator: BONANZA CREEK ENERGY OPERATING COMPANY LLC

4. COGCC Operator Number: 8960

5. Address: P O BOX 21974

City: BAKERSFIELD State: CA Zip: 93390

6. Contact Name: Kerry McCowen Phone: (720)279-2330 Fax: (720)279-2331

Email: kam@bonanzacrk.com

7. Well Name: Croissant Well Number: 24-3

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 6750

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 3 Twp: 4N Rng: 63W Meridian: 6

Latitude: 40.335310 Longitude: -104.426690

Footage at Surface: 509 FNL/FSL FSL 1983 FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4573 13. County: WELD

14. GPS Data:

Date of Measurement: 02/11/2010 PDOP Reading: 3.1 Instrument Operator's Name: D. R. Griggs

15. If well is ☐ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____

Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

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: 1350

18. Distance to nearest property line: 509 19. Distance to nearest well permitted/completed in the same formation: 1100

20. 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Niobrara-Codell | NB-CD | 318A | 80 | S/2 of the SW/4 |

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#: 20070001

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 Bon ☐ \$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):
see attached lease description

25. Distance to Nearest Mineral Lease Line: 509 ft 26. Total Acres in Lease: 5875

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☐ No If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☒ Offsite ☐ Onsite

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 | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bottom | Cement Top |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| SURF | 12+1/4 | 8+5/8 | 24 | 570 | 285 | 570 | |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 6,750 | 210 | 6,750 | 5,850 |

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

33. Comments No conductor pipe will be used on this well

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: Stephen R. Wolfe

Title: SR Prod Engr Date: 3/18/2010 Email: srw@bonanzacrk.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. Nashin Director of COGCC Date: 4/20/2010

API NUMBER

05 123 31475 00

Permit Number: _____ Expiration Date: 4/19/2012

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.

COGCC ENG COA – SME 1) Provide `24 hr notice of spud to to Bo Brown at 970-330-6085 or email at bo.brown@state.co.us. 2) Note surface casing setting depth change from 340' to 570'. Increase cement coverage accordingly. Set surface casing per Rule 317d, cement to surface. 3) If completed, provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 4) If dry hole, 40 sks cement 50' above Niobrara top, 50 sks cement ½ out, ½ in surface casing, 10 sks cement top of surface casing, cut 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole. Restore surface location.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|-------------------------|----------------------|
| 1725743 | SURFACE CASING CHECK | LF@2455300 1725743 |
| 400047097 | WELL LOCATION PLAT | LF@2440788 400047097 |
| 400048388 | LEGAL/LEASE DESCRIPTION | LF@2440789 400048388 |
| 400048404 | TOPO MAP | LF@2440790 400048404 |
| 400048406 | 30 DAY NOTICE LETTER | LF@2440791 400048406 |
| 400050672 | FORM 2 SUBMITTED | LF@2441466 400050672 |

Total Attach: 6 Files