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| 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 |  | DE ET OE ES |
|---|---|---|----------------------|

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

Document Number:
 400148839
 Plugging Bond Surety
 20070004

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: Keith Caplan Phone: (720)440-6112 Fax: (720)279-2331
 Email: KCaplan@bonanzacr.com

7. Well Name: State Antelope Well Number: 31-11HZ

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

9. Proposed Total Measured Depth: 10980

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 11 Twp: 5N Rng: 62W Meridian: 6
 Latitude: 40.421810 Longitude: -104.289630

Footage at Surface: 200 feet FNL/FSL FNL 2488 feet FEL/FWL FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4603 13. County: WELD

14. GPS Data:

Date of Measurement: 03/20/2011 PDOP Reading: 2.2 Instrument Operator's Name: Dan Griggs

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

Footage at Top of Prod Zone: FNL/FSL 640 FNL 2295 FEL FEL/FWL 460 FSL 460 FEL
 Sec: 11 Twp: 5N Rng: 62W Sec: 11 Twp: 5N Rng: 62W

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: 5280 ft

18. Distance to nearest property line: 200 ft 19. Distance to nearest well permitted/completed in the same formation: 2800 ft

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 | NBRR | | 280 | E/2 less SWSE |

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

21. Mineral Ownership: Fee State Federal Indian Lease #: 8042.4
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 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):
T5N-R62W, Sec. 11: NE/4, W/2 SW/4, N/2 SE/4, SE/4 SE/4
25. Distance to Nearest Mineral Lease Line: 460 ft 26. Total Acres in Lease: 360

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 | 9+5/8 | 36# | 0 | 410 | 180 | 410 | 0 |
| 1ST | 8+3/4 | 7+0/0 | 26# | 0 | 6,433 | 830 | 6,433 | 0 |
| 1ST LINER | 6+1/8 | 4+1/2 | 11.6# | 0 | 10,980 | 0 | | |

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None
33. Comments Conductor casing will not be used on this well. Proposed spacing unit is the NE/4, N/2SE4, and the SESE. Bonanza Creek requests approval of Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Waiver attached.

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: Keith Caplan
Title: Sr. Operations Tech Date: 4/4/2011 Email: KCaplan@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: 5/5/2011

Permit Number: _____ Expiration Date: 5/4/2013

API NUMBER
05 123 33487 00

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.

- 1) Provide 24 hour notice of MIRU to Bo Brown via e-mail at bo.brown@state.co.us.
- 2) Provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
- 4) If dry hole, set 40 sks cement 50' above Niobrara top, 50 sks cement straddling surface casing shoe, 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. If 7" casing is in place and cemented to surface the bottom 2 plugs can be 30 sacks each. If cement is not all the way to surface ensure top 10 sack plug is split between annulus and casing. Turn in Forms 5 and 6.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 2530483 | EXCEPTION LOC REQUEST |
| 2530484 | EXCEPTION LOC WAIVERS |
| 400148839 | FORM 2 SUBMITTED |
| 400149583 | DEVIATED DRILLING PLAN |
| 400149585 | PLAT |
| 400149588 | OIL & GAS LEASE |

Total Attach: 6 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|---|-------------------------|
| Permit | Updated with surface waiver | 4/21/2011 1:57:36 PM |
| Permit | On hold waiting on surface waivers | 4/13/2011 5:55:45 AM |
| Permit | Updated with new spacing unit. | 4/11/2011 1:52:51 PM |
| Permit | In compliance with SLB. | 4/11/2011 1:49:18 PM |
| Permit | On hold waiting on SLB verification that they are in complainece. | 4/5/2011 5:54:35 AM |
| Permit | On hold waiting for correct spacing order.(407-380 does not cover section 11) | 4/5/2011 5:41:02 AM |
| Permit | Back to draft. Attachments lost during server crash on 4/1/11. sf | 4/4/2011 1:04:26 PM |

Total: 7 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
| | |

Total: 0 comment(s)