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Document Number:
 400222998
 PluggingBond SuretyID
 20070004

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: 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)440-6100 Fax: (720)279-2331
 Email: KCaplan@bonanzacr.com
 7. Well Name: Pronghorn Well Number: 14-44-7HZ
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 10400

WELL LOCATION INFORMATION

10. QtrQtr: Lot 4 Sec: 7 Twp: 5N Rng: 61W Meridian: 6
 Latitude: 40.409040 Longitude: -104.261180
 Footage at Surface: 200 feet FSL 200 feet FSL
 11. Field Name: Wattenberg Field Number: 90750
 12. Ground Elevation: 4605 13. County: WELD

14. GPS Data:
 Date of Measurement: 10/25/2011 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 460 FSL 460 FWL 460 FEL/FWL 460 FEL 460
 Bottom Hole: FNL/FSL 460 FSL 460 FWL 460 FEL 460
 Sec: 7 Twp: 5N Rng: 61W Sec: 7 Twp: 5N Rng: 61W

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(BHL): 1600 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.)
Niobrara	NBRR	407-380	640	All

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):

T5N-R61W: Sec. 5: All; Sec. 6: All; Sec. 7: All; Sec. 17: W/2, SE/4; Sec. 18: All

25. Distance to Nearest Mineral Lease Line: 460 ft 26. Total Acres in Lease: 2361

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	128	410	0
1ST	8+3/4	7+0/0	26	0	6,567	783	6,567	0
1ST LINER	6+1/8	4+1/2	11.6	0	10,343			

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

33. Comments Conductor casing will not be used on this well. Operator requests approval of Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Waiver and exception request 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: 11/25/2011 Email: KCaplan@bonanzacr.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: 12/16/2011

API NUMBER

05 123 34807 00

Permit Number: _____ Expiration Date: 12/15/2013

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.

- 1) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us .
- 2) Provide cement coverage from base of intermediate casing 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.

Operator must meet water well sampling requirements as per Rule 318A.

Attachment Check List

Att Doc Num	Name
2531562	WAIVERS
400222998	FORM 2 SUBMITTED
400223034	SURFACE AGRMT/SURETY
400223035	PLAT
400226562	DEVIATED DRILLING PLAN

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	On hold - Well is outside the drilling window and the section section is spaced for only one horizontal well.	11/28/2011 10:49:08 AM

Total: 1 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)