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Document Number:
 400228952
 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: Antelope Well Number: M-17
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 7010

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 17 Twp: 5N Rng: 62W Meridian: 6
 Latitude: 40.395880 Longitude: -104.351640
 Footage at Surface: 1308 feet FSL 1366 feet FWL
 11. Field Name: Wattenberg Field Number: 90750
 12. Ground Elevation: 4643 13. County: WELD

14. GPS Data:
 Date of Measurement: 11/16/2011 PDOP Reading: 2.1 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 FNL/FSL Bottom Hole: FNL/FSL FNL/FSL
2575 FNL 2560 FWL 2575 FNL 2560 FWL
 Sec: 17 Twp: 5N Rng: 62W Sec: 17 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: 4090 ft
 18. Distance to nearest property line: 1308 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 715 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-Codell | NB-CD | | 160 | GWA |

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 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):

please see attached.

25. Distance to Nearest Mineral Lease Line: 2560 ft

26. Total Acres in Lease: 9046

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 | 13+1/2 | 8+5/8 | 24 | 0 | 410 | 241 | 410 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 6,978 | 161 | 7,010 | 6,128 |

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

33. Comments Conductor casing will not be used on this well. Wellbore Spacing Unit: T5N62W: Sec 17 SENW, SWNE, NWSE, NESW

34. Location ID: 420880

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: 12/3/2011 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. Neslin

Director of COGCC Date: 1/6/2012

API NUMBER

05 123 34918 00

Permit Number: _____ Expiration Date: 1/5/2014

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.

Operator must meet water well sampling requirements per rule 318A.

- 1) Provide 24 hour notice of MIRU to John Montoya at 970-397-4124 or e-mail John.Montoya@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.

Attachment Check List

| Att Doc Num | Name |
|-------------|-------------------------|
| 2531657 | PROPOSED SPACING UNIT |
| 400228952 | FORM 2 SUBMITTED |
| 400228954 | PLAT |
| 400228955 | DEVIATED DRILLING PLAN |
| 400228956 | LEGAL/LEASE DESCRIPTION |

Total Attach: 5 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|---|----------------------------|
| Permit | No LGD or public comment received; final review completed. | 1/6/2012 9:01:30 AM |
| Permit | Updated permits with new spacing attachments. | 12/28/2011 7:24:02 AM |
| Permit | On hold - Waiting for proposed wellbore spacing unit attachments. | 12/6/2011 5:32:15 AM |

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)