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Document Number:
 400235083
 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: Wetco Farms Well Number: H-4
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 7020

WELL LOCATION INFORMATION

10. QtrQtr: NENW Sec: 4 Twp: 4N Rng: 63W Meridian: 6
 Latitude: 40.345040 Longitude: -104.442850
 Footage at Surface: 1335 feet FNL 2647 feet FWL
 11. Field Name: Wattenberg Field Number: 90750
 12. Ground Elevation: 4566 13. County: WELD

14. GPS Data:
 Date of Measurement: 12/16/2011 PDOP Reading: 1.7 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 _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____
2665 FNL 1320 FWL 2665 FNL 1320 FWL
 Sec: 04 Twp: 4N Rng: 63W Sec: 04 Twp: 4N Rng: 63W

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: 540 ft
 18. Distance to nearest property line: 514 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 880 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#: _____
 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):
 T4N-R63W, 6th P.M. Section 4: Lot 2 (N/2 NW/4), S/2 NW/4, SW/4 and all that part of the E/2 lying West of a line parallel to and 2159 feet West of the East line of said Section 4; and E/2, except part lying west of a parallel line north and south, 2159 feet west of east line of the section.

25. Distance to Nearest Mineral Lease Line: 1320 ft 26. Total Acres in Lease: 655

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	697	490	697	0
1ST	7+7/8	4+1/2	11.6	0	6,992	240	7,020	6,142

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: T4N63W: Sec 04: S/2NW/4 and N/2SW/4.

34. Location ID: 424480

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: 12/22/2011 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: 1/24/2012

API NUMBER
05 123 34981 00

Permit Number: _____ Expiration Date: 1/23/2014

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.

- 1) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Comply with Rule 321. 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 testing requirements per Rule 318A.

Attachment Check List

Att Doc Num	Name
2330833	SURFACE CASING CHECK
400235083	FORM 2 SUBMITTED
400235212	PROPOSED SPACING UNIT
400235216	PROPOSED SPACING UNIT
400235220	PLAT
400235224	DEVIATED DRILLING PLAN
400235507	SURFACE AGRMT/SURETY

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	1/23/2012 3:25:23 PM
Permit	Added Anti-collision & During/Post stimulation BMP's per operator. Ok to pass.	1/23/2012 3:24:18 PM
Permit	Requesting addition of Anti-collision & During/Post stimulation BMP's. Well will be 36 feet from another producing well the 123-22500 Wetco Farms 22-4.	1/20/2012 8:23:41 AM
Permit	Changed from Lot 1 to NENW per operator. Ok to pass pending 1/16/12.	1/3/2012 3:38:57 PM
Permit	Operator requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Request and waivers attached to form 2A.	1/3/2012 3:30:11 PM
Permit	Operator attached SUA. This form has passed completeness.	12/27/2011 9:52:59 AM
Permit	Returned to draft. Missing SUA attachment.	12/27/2011 9:19:28 AM

Total: 7 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	Anti-collision: Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5.
Drilling/Completion Operations	<p>During and Post Stimulation:</p> <ol style="list-style-type: none">1. At least seven (7) days prior to fracture stimulation, the operator is to notify all operators of non-operated wells within 300 feet of the wellbore to be fracture stimulated of the anticipated stimulation date and the recommended best management practice to shut-in all wells within 300' of the stimulated wellbore completed in the same formation.2. The operator will monitor the bradenhead pressure of all wells within 300 feet of the well to be fracture stimulated.3. Bradenhead pressure gauges are to be installed 24 hours prior to stimulation. The gauges are to read at least once during every 24-hour period until 24-hours after stimulation is completed (post flowback). The gauges are to be of the type able to read current pressure and record the maximum encountered pressure in a 24-hour period. The gauge is to be reset between each 24-hour period. The pressures are to be recorded and saved. Alternate electronic measurement may be used to record the prescribed pressures. Data shall be kept for a period of one year.4. If at any time during stimulation or the 24-hour post-stimulation period, the bradenhead annulus pressure of the treatment well or offset wells increases more than 200 psig, as per Rule 341, the operator of the well being stimulated shall verbally notify the Director as soon as practicable, but no later than twenty-four (24) hours following the incident. Within fifteen (15) days after the occurrence, the operator shall submit a Sundry Notice, Form 4, giving all details, including corrective actions taken.

Total: 2 comment(s)