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Document Number:
 400236591
 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: 41-11-9HZ
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 11030

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 9 Twp: 5N Rng: 61W Meridian: 6
 Latitude: 40.421550 Longitude: -104.205600
 Footage at Surface: 523 feet FNL 270 feet FEL
 11. Field Name: Wattenberg Field Number: 90750
 12. Ground Elevation: 4682 13. County: WELD

14. GPS Data:
 Date of Measurement: 12/19/2011 PDOP Reading: 2.3 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 _____
530 FNL 500 FEL 670 FNL 460 FWL
 Sec: 9 Twp: 5N Rng: 61W Sec: 9 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: 4985 ft
 18. Distance to nearest property line: 270 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 150 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. 1: NW/4; Sec. 2: NE/4, W/2; Sec. 3: W/2; Sec. 4: W/2 SW/4; Sec. 9: ALL; Sec. 10: ALL; Sec. 12: W/2; Sec. 14: NE/4.

25. Distance to Nearest Mineral Lease Line: 460 ft 26. Total Acres in Lease: 2800

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	6,675	796	6,675	0
1ST LINER	6+1/8	4+1/2	11.6	0	11,030			

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

33. Comments Conductor casing will not be used on this well. Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Bonanza Creek requests an exception location to 318Aa, 318Ac: Exception request and waiver attached. Bonanza Creek recognizes that the lateral of this well will be 150 feet of the Bonanza Creek Pronghorn 31-9 and 175 feet of the Bonanza Creek 41-9. Bonanza Creek will gyro the these existing wells. BMP letter 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: 12/30/2011 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: 1/30/2012

API NUMBER
05 123 35010 00

Permit Number: _____ Expiration Date: 1/29/2014

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 John Montoya by e-mail at John.Montoya@state.co.us. Indicate Spud Notice in the subject line and provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, Email Address.
- 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
2531830	PROPOSED BMPs
400236591	FORM 2 SUBMITTED
400236638	DEVIATED DRILLING PLAN
400236639	PLAT
400236647	EXCEPTION LOC WAIVERS
400236651	EXCEPTION LOC REQUEST
400236672	SURFACE AGRMT/SURETY
400236709	DIRECTIONAL DATA

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or public comment received; final review completed.	1/26/2012 10:04:07 AM
Permit	Received intra-well BMP's	1/26/2012 9:57:32 AM
Permit	On hold-Operator must follow new intra-well distance requirements.	1/26/2012 7:12:30 AM
Permit	Operator acknowledged the BMP's	1/13/2012 1:17:24 PM
Permit	On hold-Permit missing Frac monitoring BMP and anti-collision BMP. Notified operator.	1/5/2012 8:28:03 AM

Total: 5 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<ol style="list-style-type: none"><li data-bbox="467 170 1520 352">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 date stimulation date and the recommended best management practice to shut-in all wells within 300' of the stimulated wellbore completed in the same formation.<li data-bbox="467 352 1520 436">2. The operator will monitor the bradenhead pressure of all wells within 300 feet of the well to be fracture stimulated.<li data-bbox="467 436 1520 667">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.<li data-bbox="467 667 1520 919">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: 1 comment(s)