

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

Document Number:
400251713

PluggingBond SuretyID
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)440-6100 Fax: (720)729-2331
Email: KCaplan@BonanzaCrk.com

7. Well Name: Pronghorn Well Number: 31-34-15HZ

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

9. Proposed Total Measured Depth: 10775

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 15 Twp: 5N Rng: 61W Meridian: 6
Latitude: 40.407840 Longitude: -104.192910

Footage at Surface: 200 feet FNL 2150 feet FEL

11. Field Name: North Riverside Field Number: 60130

12. Ground Elevation: 4665 13. County: WELD

14. GPS Data:
Date of Measurement: 01/31/2012 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: 460 FNL 2150 FEL Bottom Hole: 460 FSL 2150 FEL
Sec: 15 Twp: 5N Rng: 61W Sec: 15 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: 1 mi

18. Distance to nearest property line: 200 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 158 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. 15: E/2, NW/4

25. Distance to Nearest Mineral Lease Line: 460 ft

26. Total Acres in Lease: 480

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 | 129 | 410 | 0 |
| 1ST | 8+3/4 | 7+0/0 | 26 | 0 | 6,418 | 765 | 6,418 | 0 |
| 1ST LINER | 6+1/8 | 4+1/2 | 11.6 | 6418 | 10,775 | | | |

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

33. Comments Conductor casing will not be used on this well. Due to proximity to Pronghorn 31-15 well; Bonanza agrees to Intra-Well BMPs and Bradenhead Monitoring BMPs (attached). Bonanza Creek Energy is the sole operator of the Pronghorn 31-15 well.

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 S. Caplan

Title: Sr. Operations Technician Date: _____ 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: _____ Director of COGCC Date: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400251716 | SURFACE AGRMT/SURETY |
| 400251719 | PLAT |
| 400251800 | VARIANCE REQUEST |
| 400252456 | WAIVERS |
| 400252457 | DIRECTIONAL DATA |
| 400252458 | DEVIATED DRILLING PLAN |

Total Attach: 6 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------------------|---|
| Drilling/Completion Operations | <p>Bonanza Creek Energy, Inc. Frac Monitoring Best Management Practices</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 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. 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. |
| Drilling/Completion Operations | <ol style="list-style-type: none"> 1. Prior to drilling operations, Bonanza will perform an anti-collision scan of existing 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, Bonanza may have gyro or MWD surveys conducted to verify bottom-hole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk of collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed MWD or gyro survey will be submitted to COGCC with the Form 5. |

Total: 2 comment(s)