

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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Date Received:

02/15/2012

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 LLC4. COGCC Operator Number: 89605. Address: P O BOX 21974City: BAKERSFIELD State: CA Zip: 933906. Contact Name: Keith Caplan Phone: (720)440-6100 Fax: (720)729-2331Email: KCaplan@BonanzaCrk.com7. 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: 6Latitude: 40.407840 Longitude: -104.192910

Footage at Surface: 200 feet FNL/FSL 2150 feet FEL/FWL FEL

11. Field Name: North Riverside Field Number: 6013012. Ground Elevation: 4665 13. County: WELD

14. GPS Data:

Date of Measurement: 01/31/2012 PDOP Reading: 2.1 Instrument Operator's Name: Dan Griggs15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 460 FNL 2150 FEL 460 FSL 2150 FEL 460 FSL 2150 FEL 460
 Sec: 15 Twp: 5N Rng: 61W Sec: 15 Twp: 5N Rng: 61W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1 mi18. Distance to nearest property line: 200 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 174 ft

20. 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 ☐ Indian23. 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 ☐ No23b. 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. 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.

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: 2/15/2012 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: 3/18/2012

API NUMBER

05 123 35276 00

Permit Number: _____ Expiration Date: 3/17/2014

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 48 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. Submit Form 42 electronically after April 1 for spud notice.
- 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
2331832	SURFACE CASING CHECK
400251713	FORM 2 SUBMITTED
400251716	SURFACE AGRMT/SURETY
400251719	PLAT
400251800	EXCEPTION LOC REQUEST
400252456	EXCEPTION LOC WAIVERS
400252457	DIRECTIONAL DATA
400252458	DEVIATED DRILLING PLAN

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.	3/14/2012 5:49:44 AM

Total: 1 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<p>Bonanza Creek Energy, Inc. Frac Monitoring Best Management Practices</p> <p>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.</p> <p>2. The operator will monitor the bradenhead pressure of all wells within 300 feet of the well to be fracture stimulated.</p> <p>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.</p> <p>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.</p>
Drilling/Completion Operations	<p>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 anit-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 reulsts 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.</p>

Total: 2 comment(s)