

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

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Document Number:

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Date Received:

03/12/2012

PluggingBond SuretyID

20120018

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@BonanzaCrk.com

7. Well Name: Park Well Number: T-P-4HZ

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

9. Proposed Total Measured Depth: 11203

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 4 Twp: 4N Rng: 63W Meridian: 6

Latitude: 40.334440 Longitude: -104.438163

Footage at Surface: 220 feet FSL 1200 feet FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4625 13. County: WELD

14. GPS Data:

Date of Measurement: 02/23/2012 PDOP Reading: 2.1 Instrument Operator's Name: David Fehringer

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 460 FSL 1230 FEL Bottom Hole: 460 FNL 1816 FEL
Sec: 4 Twp: 4N Rng: 63W Sec: 4 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: 654 ft

18. Distance to nearest property line: 220 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 275 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 | | 320 | 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#: 20120019

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: ALL

25. Distance to Nearest Mineral Lease Line: 460 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 | 9+5/8 | 36 | 0 | 697 | 219 | 697 | 0 |
| 1ST | 8+3/4 | 7+0/0 | 26 | 0 | 6,732 | 803 | 6,735 | 0 |
| 1ST LINER | 6+1/8 | 4+1/2 | 11.6 | 6732 | 11,203 | | | |

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

33. Comments Conductor Casing will not be used on this well. Horizontal component is designed to pass closest well (Park R-4) at 275' offset. No intra-well distance waivers required. BMPs for Frac Monitoring attached. Wells within 300' of proposed production zone are entirely owned by Bonanza. Proposed spacing unit is the E/2. 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 Caplan

Title: Sr. Ops. Tech Date: 3/12/2012 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: 4/11/2012

API NUMBER: 05 123 35394 00 Permit Number: _____ Expiration Date: 4/10/2014

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 via an electronic Form 42.
- 2) Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from the TD to surface. 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 |
|-------------|------------------------|
| 2481503 | SURFACE CASING CHECK |
| 2532081 | PROPOSED SPACING UNIT |
| 2532082 | PROPOSED SPACING UNIT |
| 400259422 | FORM 2 SUBMITTED |
| 400260502 | PLAT |
| 400260504 | EXCEPTION LOC WAIVERS |
| 400260527 | EXCEPTION LOC REQUEST |
| 400260543 | DEVIATED DRILLING PLAN |
| 400260544 | DIRECTIONAL DATA |

Total Attach: 9 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|--|----------------------------|
| Permit | Lease description changed per operator. K Caplan | 4/11/2012 7:10:27 AM |
| Permit | No LGD or public comment received; final review completed. | 4/5/2012 6:41:47 AM |
| Permit | Updated permit with spacing unit attachments. | 3/22/2012 4:45:20 PM |
| Permit | On hold - Waiting on proposed spacing unit attachments. | 3/13/2012 1:09:05 PM |

Total: 4 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------------------|---|
| Drilling/Completion Operations | <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 be 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 (15) fifteen days after the occurrence, the operator shall submit a Sundry Notice, Form 4, giving all details, including corrective actions taken. |

Total: 1 comment(s)