

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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Document Number:

400293835

Date Received:

06/23/2012

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 LLC4. COGCC Operator Number: 89605. Address: 410 17TH STREET SUITE #1400City: DENVER State: CO Zip: 802026. Contact Name: Keith Caplan Phone: (720)440-6100 Fax: (720)279-2331Email: kcaplan@bonanzacrk.com7. Well Name: Antelope Well Number: F-J-18HZ

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

9. Proposed Total Measured Depth: 11090

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 18 Twp: 5N Rng: 62W Meridian: 6Latitude: 40.405040 Longitude: -104.371170

Footage at Surface: 585 feet FNL/FSL 1178 feet FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 9075012. Ground Elevation: 4614 13. County: WELD

14. GPS Data:

Date of Measurement: 05/31/2012 PDOP Reading: 1.1 Instrument Operator's Name: Wyatt Hall15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 460 FNL 1650 FWL FWL Bottom Hole: FNL/FSL 460 FSL 1750 FWL FWL
 Sec: 18 Twp: 5N Rng: 62W Sec: 18 Twp: 5N Rng: 62W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 422 ft18. Distance to nearest property line: 585 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 307 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 ☐ 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):

Sec 18: W/2, SE/4 plus acreage in other lands

25. Distance to Nearest Mineral Lease Line: 460 ft

26. Total Acres in Lease: 2438

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	13+1/2	9+5/8	36	0	410	200	410	0
1ST	8+3/4	7	26	0	6,705	500	6,705	0
1ST LINER	6+1/8	4+1/2	11.6	6605	11,090			

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

33. Comments Conductor casing will not be used. Operator requests an exception location per rule 318Aa and rule 318Ac. Waviers attached. Per rule 318Ae, the Operator requests the proposed spacing unit consisting of 320 acres, W/2 of Sec 18 T5N R62W. Proposed spacing unit map and 30-day certificate is 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. Regulatory Specialist Date: 6/23/2012 Email: kcaplan@bonanzacrk.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: 7/26/2012

API NUMBER

05 123 35865 00

Permit Number: _____ Expiration Date: 7/25/2014

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 prior to spud via electronic Form 42.
- 2) Provide cement coverage from TD 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
400293835	FORM 2 SUBMITTED
400293918	WELL LOCATION PLAT
400299062	SURFACE AGRMT/SURETY
400299063	EXCEPTION LOC WAIVERS
400299064	EXCEPTION LOC REQUEST
400299065	PROPOSED SPACING UNIT
400299066	PROPOSED SPACING UNIT
400299067	DEVIATED DRILLING PLAN
400299068	DIRECTIONAL DATA

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	7/18/2012 7:05:45 AM
Permit	Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Operator requests an exception location to 318Aa, 318Ac: Exception request and waiver attached.	6/26/2012 10:15:21 AM
Permit	This horizontal well comes within 300 feet or less of another active/planned oil and gas well. Operator has provided the Frac monitoring BMP.	6/26/2012 10:14:12 AM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	The Operator will comply with the COGCC bradenhead policy updated 5/29/2012.
Drilling/Completion Operations	<p>Wellbore Fracturing Stimulation</p> <p>The Colorado Oil and Gas Conservation Commission (COGCC) has established this Policy Regarding Bradenhead Monitoring During Hydraulic Fracturing Treatments ("Treatment") in the Greater Wattenberg Area ("GWA") pursuant to COGCC 207.a. ("Policy"). This Policy applies to oil and gas operations in the GWA as defined by the COGCC Rules of Practice and Procedure.</p> <p>1. At least twenty (20) days prior to initiating a Treatment, the operator ("Operator") shall provide written notice, via hand delivery, via confirmed receipt email, or via certified mail, return-receipt requested, to all adjacent operators ("Adjacent Operators") where the Adjacent Operator's wellbore is located within 300 feet of the Operator's wellbore and the Adjacent Operator's wellbore penetrates the productive zone which is to be treated by the Operator. Such notice shall include the anticipated date of the Treatment and shall provide a copy of this Policy.</p> <p>2. Within seven (7) days of receipt of such notice, the Adjacent Operator shall confirm in writing to the Operator that it will comply with this Policy. If the Adjacent Operator refuses to confirm that it will comply with this Policy, or fails to timely respond to the Operator's notice, the Operator shall advise the Commission staff of such refusal or failure by email. The Commission may then order the Adjacent Operator's compliance.</p> <p>3. The Operator shall monitor the bradenhead pressure of all wells under Operator's control within 300 feet of the well which is to be treated, provided such other wells penetrate the productive zone which is to be treated.</p> <p>4. The Operator and Adjacent Operator(s) shall install bradenhead pressure gauges on their respective wells 24 hours prior to the Operator initiating a Treatment. The Operator and Adjacent Operator(s) shall monitor their respective gauges at least once during every 24-hour period until 24 hours after the Treatment is completed and shall continue to do so until the pressure stabilizes. The bradenhead pressure gauges shall be capable of monitoring current pressure and also capable of recording the maximum pressure encountered in a 24 hour period. Such gauges shall be reset between each 24 hour period. The pressures shall be recorded and saved for a period of one year. Alternate electronic measurement may be used to record the prescribed pressures.</p> <p>5. If at any time during the Treatment or the 24-hour post-stimulation period, the bradenhead annulus pressure of the Treatment well or any offset wells subject to this Policy increases by more than 200 psig, the Operator of the well being treated, or the Adjacent Operator(s) of an affected offsetting well, as the case may be, shall verbally notify each other and the Director, as soon as practicable, but no later than twenty-four (24) hours following such incident. Within fifteen (15) days after the occurrence, the Operator or Adjacent Operator(s), as the case may be, shall submit a Sundry Notice, Form 4, giving all details, including corrective actions taken.</p>

Total: 2 comment(s)