

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400343680

Date Received:

11/08/2012

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: Pronghorn Well Number: 44-41-7HNB

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

9. Proposed Total Measured Depth: 10671

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 7 Twp: 5N Rng: 61W Meridian: 6Latitude: 40.409710 Longitude: -104.247100Footage at Surface: 430 feet FNL/FSL 1175 feet FEL/FWL FEL11. Field Name: North Riverside Field Number: 6013012. Ground Elevation: 4562 13. County: WELD

14. GPS Data:

Date of Measurement: 10/25/2012 PDOP Reading: 1.8 Instrument Operator's Name: Adam Kelly15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**Footage at Top of Prod Zone: FNL/FSL 470 FSL 660 FEL 470 FNL 660 FEL 470
Bottom Hole: FNL/FSL 470 FNL 660 FEL 470
Sec: 7 Twp: 5N Rng: 61W Sec: 7 Twp: 5N Rng: 61W16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 5280 ft18. Distance to nearest property line: 430 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1408 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	407-633	640	Sect 7 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):

5N-61W-7 All and other lands

25. Distance to Nearest Mineral Lease Line: 470 ft

26. Total Acres in Lease: 1317

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+0/0	26	0	6,383	500	6,383	2,500
1ST LINER	6+1/8	4+1/2	11.6	6283	10,671			

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 318A and rule 318 c: well will not be drilled in a legal drilling window or twinned with an existing well. Waivers 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: 11/8/2012

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: Matthew Lee Director of COGCC Date: 12/3/2012

API NUMBER

05 123 36386 00

Permit Number: _____ Expiration Date: 12/2/2014

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.

Operator must meet water well testing requirements per Rule 318A.

- 1) Provide 48 hour notice prior to spud via electronic Form 42.
- 2) Provide cement coverage from base of intermediate casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) If dry hole: a) with production liner installed: set 100' cement or CIBP w/ 2 sx cement in liner or casing 50' above top of Niobrara. b) without production liner: set 40 sks cement in intermediate casing 50' above Niobrara top. With either a) or b) above: set 40 sx cement at the stub if recovering intermediate casing, then set 50 sks cement ½ out, ½ in surface casing, 10 sks cement top of surface casing, cut 4' below ground level, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.
- 4) 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.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400343680	FORM 2 SUBMITTED
400343840	PLAT
400343851	DIRECTIONAL DATA
400343852	DEVIATED DRILLING PLAN
400344387	EXCEPTION LOC WAIVERS
400344388	30 DAY NOTICE LETTER
400344392	SURFACE AGRMT/SURETY
400344430	EXCEPTION LOC REQUEST

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	12/3/2012 9:45:33 AM
Permit	Initial review complete.	11/14/2012 8:29:04 AM
Permit	Operator requests approval of a Rule 318Aa and Rule 318Ac exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Request and waivers attached.	11/14/2012 8:29:02 AM
Permit	operator corrected BHL to match plat. This form passed completeness.	11/10/2012 5:25:35 PM
Permit	Return to draft: 1. BHL submitted (650' FEL) does not match well location plat BHL.	11/10/2012 12:05:31 AM

Total: 5 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)