

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Document Number:

400347061

Date Received:

11/21/2012

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: 410 17TH STREET SUITE #1400

City: DENVER State: CO Zip: 80202

6. Contact Name: Randy Edelen Phone: (720)440-6100 Fax: (720)279-2331

Email: Redelen@bonanzacrk.com

7. Well Name: State Pronghorn Well Number: F-J-16HNB

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

9. Proposed Total Measured Depth: 10883

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 16 Twp: 5N Rng: 61W Meridian: 6

Latitude: 40.407390 Longitude: -104.219150

Footage at Surface: 370 feet FNL 1259 feet FNL/FSL FWL

11. Field Name: WILDCAT Field Number: 99999

12. Ground Elevation: 4638 13. County: WELD

14. GPS Data:

Date of Measurement: 10/30/2012 PDOP Reading: 1.9 Instrument Operator's Name: Brian Rottinhaus

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

Footage at Top of Prod Zone: 510 FNL 1353 FNL/FSL FWL 470 FSL 1341 FEL/FWL FWL
Sec: 16 Twp: 5N Rng: 61W Sec: 16 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: 1245 ft

18. Distance to nearest property line: 370 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 521 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 16 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 16 ALL

25. Distance to Nearest Mineral Lease Line: 470 ft 26. Total Acres in Lease: 640

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	0	410	200	410	0
1ST	8+3/4	7	26.0	0	6,537	500	6,566	2,500
1ST LINER	6+1/8	4+1/2	11.6	6437	10,883			

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

33. Comments Conductor casing will not be used on this well. Operator requests an exception location per rule 318Aa and rule 318Ac: 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: Randy Edelen

Title: Regulatory Specialist Date: 11/21/2012 Email: REdelen@bonanzacr.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: 12/27/2012

API NUMBER
05 123 36469 00

Permit Number: _____ Expiration Date: 12/26/2014

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) 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
2233200	WELL LOCATION PLAT
2233201	DEVIATED DRILLING PLAN
2544758	SURFACE CASING CHECK
400347061	FORM 2 SUBMITTED
400349297	SURFACE AGRMT/SURETY
400349306	EXCEPTION LOC WAIVERS
400349312	EXCEPTION LOC REQUEST
400361087	DIRECTIONAL DATA

Total Attach: 8 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed. No LGD or public comment received.	12/27/2012 3:24:58 PM
Engineer	Operator revised horizontal wellbore location. Proposed wellbore is now separated from State #1 (API# 123-07701) by about 680'. Took permit off hold.	12/27/2012 12:33:42 PM
Permit	Location and bond ok per state land board.	12/27/2012 10:39:09 AM
Permit	Per operator attached new plat, deviated drill plan, directional template, corrected name, operator comments, total depth, TOP, BHL, distance to nearest well, and casing information. Waiting on map refresh.	12/20/2012 2:59:20 PM
Engineer	On Hold: Notified operator of a DA well within 500' of the proposed directional plan (I measure 160'), that does not have adequate aquifer or Niobrara isolation. The well is the State #1, API#123-07701, located in NWSW 16-5N-61W.	12/4/2012 5:09:44 PM
Permit	Per operator corrected distance to nearest wellbore and operator comments.	12/3/2012 12:41:41 PM
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.	12/3/2012 11:54:26 AM
Permit	Notified state land board. Requested updated distance to nearest wellbore and clarification of operator comment.	12/3/2012 11:46:27 AM
Permit	Operator attached corrected deviated drilling plan, SHL values correlate with submitted form and plat. This form passed completeness.	11/28/2012 12:22:52 PM
Permit	Return to draft: 1. deviated drilling plan SHL (720' FNL/878' FWL) does not match well location plat, submitted form question #10 (370' FNL/1259' FWL) or COGIS mapping. 2. deviated drilling plan lat/long originally submitted (40.406450/-104.220520) was amended to correlate with the plat and submitted form question #10 (40.407390/-104.219150), however the SHL footages on deviated drilling plan will not align with these coordinates.	11/26/2012 6:07:16 PM
Permit	Return to draft: 1. deviated drilling plan SHL (720' FNL/878' FWL) and lat/long (40.406450/-104.220520) does not match well location plat, question no. 10 SHL (370' FNL/1259' FWL) and lat/long (40.407390/-104.219150) or COGIS mapping.	11/23/2012 1:55:47 PM
Permit	Returned to draft at operators request.	11/21/2012 1:34:59 PM

Total: 12 comment(s)

BMP

Type	Comment

Total: 0 comment(s)