

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:

400349202

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: 31-34-16HNB

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

9. Proposed Total Measured Depth: 11021

WELL LOCATION INFORMATION

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

Latitude: 40.407810 Longitude: -104.207100

Footage at Surface: 178 feet FNL/FSL 796 feet FEL/FWL FEL

11. Field Name: North Riverside Field Number: 60130

12. Ground Elevation: 4629 13. County: WELD

14. GPS Data:

Date of Measurement: 10/30/2012 PDOP Reading: 2.2 Instrument Operator's Name: Brian Rottinghaus

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

Footage at Top of Prod Zone: FNL/FSL 470 FNL 2030 FEL 470 FSL 2011 FEL 470
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: 4700 ft

18. Distance to nearest property line: 198 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1287 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: Section 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	6,664	500	6,664	2,500
1ST LINER	6+1/8	4+1/2	11.6	6564	11,021			

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

33. Comments conductor casing will not be used on this well.

34. Location ID: 428090

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@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: 12/27/2012

API NUMBER

05 123 36470 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.

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

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2544758	SURFACE CASING CHECK
400349202	FORM 2 SUBMITTED
400349277	DEVIATED DRILLING PLAN
400349278	DIRECTIONAL DATA
400349355	EXCEPTION LOC WAIVERS
400349356	EXCEPTION LOC REQUEST
400350187	WELL LOCATION PLAT

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	State land board ok with location and bond. Final Review Completed. No LGD or public comment received.	12/27/2012 9:20:39 AM
Engineer	no wells w/in 500'	12/4/2012 5:08:26 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 12:28:08 PM
Permit	Notified state land board. Initial review complete.	12/3/2012 12:25:41 PM
Permit	operator completed plugging surety bond information and attached amended well location plat (SHL NENE). This form passed completeness.	11/26/2012 5:59:20 PM
Permit	Return to draft: 1. plugging bond surety ID is incomplete, 2. submitted well location plat SHL qtrqtr does not match question no. 10 qtrqtr (NENE), lat/long or COGIS mapping.	11/23/2012 11:13:23 AM

Total: 6 comment(s)

BMP

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

Total: 0 comment(s)