

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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Date Received:

01/11/2013

PluggingBond SuretyID

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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: Wetco Farms Well Number: F-J-4HC

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

9. Proposed Total Measured Depth: 11463

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 4 Twp: 4N Rng: 63W Meridian: 6Latitude: 40.347990 Longitude: -104.451670

Footage at Surface: 253 feet FNL/FSL 170 feet FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 9075012. Ground Elevation: 4569 13. County: WELD

14. GPS Data:

Date of Measurement: 01/01/2013 PDOP Reading: 1.4 Instrument Operator's Name: Brian Rottinghaus15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 631 FNL 1700 FWL 470 FSL 1600 FWL FWL
 Bottom Hole: FNL/FSL 470 FSL 1600 FWL FWL
 Sec: 4 Twp: 4N Rng: 63W Sec: 4 Twp: 4N Rng: 63W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 220 ft18. Distance to nearest property line: 170 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 284 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.)
Codell	CODL		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):

T4N, R63W Sec 4 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	640	320	640	0
1ST	8+3/4	7	26	0	7,131	500	7,131	2,500
1ST LINER	6+1/8	4+1/2	11.6	7031	11,463			

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 and Variance Request attached. Per rule 318Ae, the Operator requests a proposed spacing unit consisting of 320 acres, W2 of Sec 4 T4N R63W. 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: 1/11/2013 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: 2/12/2013

API NUMBER

05 123 36767 00

Permit Number: _____ Expiration Date: 2/11/2015

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 spud via electronic Form 42.
- 2) Set at least 640' of surface casing (Due to WW Permit #022985 located in NESW 4-4N-63W). Cement to surface.
- 3) Provide cement coverage from base of intermediate casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 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.

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

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

Attachment Check List

Att Doc Num	Name
2485382	SURFACE CASING CHECK
400307350	FORM 2 SUBMITTED
400368563	SURFACE AGRMT/SURETY
400368564	EXCEPTION LOC WAIVERS
400368565	EXCEPTION LOC REQUEST
400368566	PROPOSED SPACING UNIT
400368568	PROPOSED SPACING UNIT
400368569	PLAT
400368570	DEVIATED DRILLING PLAN
400368571	DIRECTIONAL DATA

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	2/11/2013 8:48:06 AM
Engineer	No existing wells within 500' of proposed directional w/o zonal isolation.	1/24/2013 2:54:05 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.	1/15/2013 12:08:03 PM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	Bonanza Creek Energy acknowledges and will comply with the "COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area," dated May 29, 2012. Bradenhead Monitoring applies to the Wetco Farms 21-4 Well.

Total: 1 comment(s)