

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:

400405989

Date Received:

04/18/2013

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: 89605. Address: 410 17TH STREET SUITE #1400City: DENVER State: CO Zip: 802026. Contact Name: Randy Edelen Phone: (720)440-6100 Fax: (720)2331Email: REdelen@bonanzacr.com7. Well Name: State Seventy Holes Well Number: K-O-3HNB

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

9. Proposed Total Measured Depth: 10909

WELL LOCATION INFORMATION

10. QtrQtr: LOT 1 Sec: 3 Twp: 4N Rng: 62W Meridian: 6Latitude: 40.347720 Longitude: -104.311400

Footage at Surface: 460 feet FNL 2404 feet FEL
 FNL/FSL FEL/FWL

11. Field Name: Wildcat Field Number: 9999912. Ground Elevation: 4551 13. County: WELD

14. GPS Data:

Date of Measurement: 02/19/2013 PDOP Reading: 1.6 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 FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
631 FNL 2679 FEL 470 FSL 2636 FEL
 Sec: 3 Twp: 4N Rng: 62W Sec: 3 Twp: 4N 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: 1 mi18. Distance to nearest property line: 275 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 210 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	535-4	640	All

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: CO 2139.1222. 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):

4N-62W-3 Lots 1 & 2, S/2N/2

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 340

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	36.00	0	410	200	410	0
1ST	8+3/4	7	26.00	0	6607	500	6607	2500
1ST LINER	6+1/8	4+1/2	11.60	6507	10909			

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

33. Comments Conductor casing will not be used. No offset wells within 500 feet of this proposed well, therefore, an Offset Well Evaluation sheet is not required. Horizontal well crosses lease lines within a drilling and spacing unit; distance to lease line is 0'

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: 4/18/2013 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: 9/11/2013

API NUMBER

05 123 37946 00

Permit Number: _____ Expiration Date: 9/10/2015

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.

COA Type	Description
	1) Provide 48 hour notice prior to spud via electronic Form 42. 2) Provide cement coverage 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.
Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

Attachment Check List

Att Doc Num	Name
1792832	WAIVERS
1792833	WAIVERS
2486446	SURFACE CASING CHECK
400405989	FORM 2 SUBMITTED
400406229	WELL LOCATION PLAT
400406230	DEVIATED DRILLING PLAN
400406231	DIRECTIONAL DATA

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed. No LGD or public comments.	9/9/2013 2:30:45 PM
Permit	Received waiver request letter and signed waiver.	9/3/2013 11:26:54 AM
Permit	Requested operator furnish as waiver and waiver request letter as this location in not within a window in GWA. Regardless of the erroneous wording is 535-4 of being able to locate anywhere in the section.	9/3/2013 7:45:39 AM
Permit	Operator submitted the following statement:Regarding the State Seventy Holes K-3 Pad OGLA (Doc 400405937) and State Seventy Holes K-O-3HNB APD (Doc 400405989); please include the following comments so that you can pass the applications. 1) Section 03 is currently spaced for one Niobrara Horizontal well. The one APD (State Seventy Holes K-O-3HNB) has been submitted concurrently with this application. 2) Due to spacing order 535-4, the remaining six planned wells for this section are not legal (assuming that they would be Niobrara/Codell wells) at this time and no additional APDs for Cretaceous aged targets will be submitted until such time that Bonanza receives an approved spacing order which will allow for additional Cretaceous Formation targets.	8/29/2013 5:41:37 AM
Permit	This section has spacing order 535-4 for 1 horizontal well. Requested operator supplied a similar statement as used for the Pronghorn B-28 pad and the need for the waiver (soutside of the 400' window) process on this location. These situations arise due to the fact that BBC has withdrawn their pending permit.	7/10/2013 7:11:15 AM
Permit	Bonanza Creek's response was "That BBC application has been sitting there for almost 2 years. I don't think they have any intention of cleaning it up and passing it.". No response as to the withdrawal of this APD.	4/30/2013 10:25:49 AM
Permit	There is a pending permit BBC Spring Lake 3-03H doc. # 400202878 for the Niobrara citing 535-4 that is ON HOLD pending waivers from the State Land Board. This doc. was filed on 9/7/2011.	4/30/2013 6:08:24 AM
Engineer	No existing wells within 500' of proposed directional.	4/22/2013 2:32:05 PM
Permit	This form has passed completeness.	4/19/2013 7:54:28 AM
Permit	Returned to draft: 1) Casing info needs to be provided.	4/19/2013 7:27:42 AM

Total: 10 comment(s)

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>