

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

Section 26-T5N-R63W: All; containing 640.00 acres more or less

Total Acres in Described Lease: 160 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # OG 2147.12

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 470 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 3127 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 4964 Feet

Above Ground Utility: 250 Feet

Railroad: 5280 Feet

Property Line: 377 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: Buffer Zone
 Exception Zone
 Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 715 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 470 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

Proposed Spacing Unit: W2/W2 Section 26-T5N-R63W, containing 160 acres.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL		160	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 11067 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 5280 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than

or equal to 100 ppm? No (If Yes, attach an H2S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type: Annular Preventor Double Ram Rotating Head None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: 427606 or Document Number: _____

CASING PROGRAM

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	26	0	6917	500	6917	2500
1ST LINER	6+1/8	4+1/2	11.6	6817	11067			

Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- Rule 318A.a. Exception Location (GWA Windows).
- Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

- Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

OTHER LOCATION EXCEPTIONS

Check all that apply:

- Rule 318.c. Exception Location from Rule or Spacing Order Number _____
- Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments Operator requests a GWA wellbore spacing unit consisting of W/2 W/2 Section 26-5N-63W; containing 160 acres, more or less. Operator self-certification is attached.

There are no existing Niobrara or Codell wells within 300' of proposed laterals.

Subsequent to receiving location waivers from the landowner the well names have changed; the position for State North Platte A7-26 is now State North Platte 11-14-26HC.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 432395

Is this application being submitted with an Oil and Gas Location Assessment application? 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 S. Caplan

Title: Sr. Regulatory Specialist Date: 8/22/2013 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: 10/7/2013

Expiration Date: 10/06/2015

API NUMBER

05 123 38266 00

Conditions Of Approval

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

	Right to construct is the lease. Bonding is filled. The well name appears to have changed since the exception location was approved. Please make a comment that the well name has changed and attach the request letter and waiver which you already have in your possession. Directional template not loaded into the directional tool.
	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.

Best Management Practices

No BMP/COA Type

Description

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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

400464222	FORM 2 SUBMITTED
400470376	PROPOSED SPACING UNIT
400470377	WELL LOCATION PLAT
400470378	DEVIATED DRILLING PLAN
400471167	OffsetWellEvaluations Data
400473188	EXCEPTION LOC REQUEST
400473189	EXCEPTION LOC WAIVERS
400476698	DIRECTIONAL DATA

Total Attach: 8 Files

General Comments

User Group

Comment

Comment Date

Permit	State Land Board approved location & bonding. Oper. corrected spacing unit acres. No LGD or public comments. Final Review--passed.	9/24/2013 10:18:24 AM
Permit	Notified SLB of proposed location. Removed surface bond.	9/23/2013 8:25:08 AM
Engineer	Evaluated any existing wells within 1500' of proposed directional.	9/10/2013 1:11:27 PM
Permit	Passed completeness.	8/30/2013 9:44:44 AM
Permit	Operator requested that the TD and casing be changed to read 11067'.	8/30/2013 9:43:46 AM
Permit	There still is 150' difference between the casing TD and the TD from the directional data spreadsheet.	8/30/2013 8:39:16 AM
Permit	Returned to DRAFT. Directional data is for the wrong well. Requested correct directional data be supplied and input.	8/30/2013 6:49:44 AM
Permit	Seems to have gotten "stuck" in uploaded. Sent email to IT for assistance.	8/29/2013 9:08:47 AM
Permit	Passed completeness	8/27/2013 1:35:29 PM
Permit	Directional data loaded.	8/23/2013 2:21:13 PM

Total: 10 comment(s)