

FORM
2

Rev
08/13

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:

400785003

Date Received:

02/23/2015

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: STATE SEVENTY HOLES

Well Number: 41-44-6HC

Name of Operator: BONANZA CREEK ENERGY OPERATING COMPANY LLC

COGCC Operator Number: 8960

Address: 410 17TH STREET SUITE #1400

City: DENVER

State: CO

Zip: 80202

Contact Name: Keith Caplan

Phone: (720)440-6100

Fax: (720)279-2331

Email: kcaplan@bonanzacrk.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120018

WELL LOCATION INFORMATION

QtrQtr: NENE Sec: 6 Twp: 4N Rng: 62W Meridian: 6

Latitude: 40.347950

Longitude: -104.362670

Footage at Surface: 400 feet FNL/FSL FNL 779 feet FEL/FWL FEL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4541

County: WELD

GPS Data:

Date of Measurement: 11/17/2014

PDOP Reading: 1.7

Instrument Operator's Name: Adam Beauprez

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

Footage at Top of Prod Zone: FNL/FSL FNL/FWL Bottom Hole: FNL/FSL FEL/FWL
631 FNL 649 FEL 470 FSL 660 FEL
Sec: 6 Twp: 4N Rng: 62W Sec: 6 Twp: 4N Rng: 62W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian

The Surface Owner is: ☒ is the mineral owner beneath the location.

(check all that apply)

☒ is committed to an Oil and Gas Lease.

☒ has signed the Oil and Gas Lease.

☐ is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: ☐ Fee ☒ State ☐ Federal ☐ Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place:

Surface Surety ID:

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 6, T4N, R62W: All

Total Acres in Described Lease: 633 Described Mineral Lease is: ☐ Fee ☒ State ☐ Federal ☐ Indian

Federal or State Lease # OG 2141.12

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

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 5280 Feet

Above Ground Utility: 2532 Feet

Railroad: 5280 Feet

Property Line: 400 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: 644 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

Operator requests a GWA spacing unit consisting of E/2E/2 Section 6, T4N, R62W.

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: 11115 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 644 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 318A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Land application

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 | 700 | 200 | 700 | 0 |
| 1ST | 8+3/4 | 7 | 26 | 0 | 6438 | 500 | 6438 | 2500 |
| 1ST LINER | 6+1/8 | 4+1/2 | 11.6 | 6338 | 11115 | | | |

☒ 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 | |
| This application is in a Comprehensive Drilling Plan _____ CDP #: _____ | |
| Location ID: _____ | |
| Is this application being submitted with an Oil and Gas Location Assessment application? _____ Yes | |
| 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: 2/23/2015 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:  _____ Director of COGCC Date: 4/12/2015 | |
| Expiration Date: 04/11/2017 | |
| <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> API NUMBER 05 123 41391 00 </div> | |

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

| | |
|--|---|
| | 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU. 2) Increase Surface Casing depth to 700', and increase cement to fill the annulus to the surface, due to the Upper Pierre Aquifer being present. 3) Comply with Rule 317.j and provide cement coverage from end of 7" 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. The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well. |
|--|---|

Best Management Practices

| <u>No</u> | <u>BMP/COA Type</u> | <u>Description</u> |
|-----------|--------------------------------|---|
| 1 | Construction | Operator shall Submit Form 42 electronically to COGCC 48 hours prior to MIRU. |
| 2 | Drilling/Completion Operations | Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage on either this well or one of the other remaining proposed offset wells not yet drilled on this pad. The Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged. |

Total: 2 comment(s)

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

| <u>Att Doc Num</u> | <u>Name</u> |
|---------------------------|----------------------------|
| 400785003 | FORM 2 SUBMITTED |
| 400786324 | WELL LOCATION PLAT |
| 400786325 | PROPOSED SPACING UNIT |
| 400786327 | DEVIATED DRILLING PLAN |
| 400786329 | EXCEPTION LOC WAIVERS |
| 400786331 | EXCEPTION LOC REQUEST |
| 400786333 | DIRECTIONAL DATA |
| 400786334 | OffsetWellEvaluations Data |

Total Attach: 8 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|--------------------------|--|----------------------------|
| Permit | Final Review Completed. No LGD or public comment received. | 4/10/2015 9:10:42 AM |
| Permit | Surface Restoration Bond on file with SLB. Permitting Review Complete. | 4/8/2015 1:44:31 PM |
| Permit | Open Hole Logging BMP submitted by operator. | 4/8/2015 1:44:30 PM |
| Engineer | Offset Wells Evaluated | 3/5/2015 1:26:23 PM |
| Permit | Passed completeness. | 2/24/2015 1:54:22 PM |

Total: 5 comment(s)