

**APPLICATION FOR PERMIT TO:**

Drill       Deepen       Re-enter       Recomplete and Operate

Date Received:  
01/15/2018

TYPE OF WELL    OIL     GAS     COALBED     OTHER \_\_\_\_\_

ZONE TYPE      SINGLE ZONE     MULTIPLE ZONES     COMMINGLE ZONES

Refilling   
Sidetrack

Well Name: Longhorn      Well Number: V41-10-9XRLNB

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: Brian Dodek      Phone: (720)2256653      Fax: ( )

Email: bdodek@bonanzacr.com

**RECLAMATION FINANCIAL ASSURANCE**

Plugging and Abandonment Bond Surety ID: 20122018

**WELL LOCATION INFORMATION**

QtrQtr: NENE      Sec: 10      Twp: 3N      Rng: 63W      Meridian: 6

Latitude: 40.246500      Longitude: -104.416044

Footage at Surface:      291      Feet      FNL/FSL      384      Feet      FEL/FWL

Field Name: WATTENBERG      Field Number: 90750

Ground Elevation: 4789      County: WELD

GPS Data:  
Date of Measurement: 09/27/2017      PDOP Reading: 1.2      Instrument Operator's Name: James Freshwater

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

1059      460      1060      470

   FNL      FEL      FNL      FEL

   Sec: 10      Twp: 3N      Rng: 63W      Sec: 9      Twp: 3N      Rng: 63W

**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:    Surface Use Agreement

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.)

E2NE, Sec 10, T3N, R63W

Total Acres in Described Lease: 80 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # \_\_\_\_\_

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 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: 234 Feet  
Railroad: 5280 Feet  
Property Line: 291 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 proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 475 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

\_\_\_\_\_

## OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	407-2072	1280	Sec 9 & 10: All

## DRILLING PROGRAM

Proposed Total Measured Depth: 16441 Feet

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:

Enter distance if less than or equal to 1,500 feet: 475 Feet  No well belonging to another operator within 1,500 feet

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S 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? Yes

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: Recycle/reuse

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Beneficial reuse or land application plan submitted? \_\_\_\_\_

Reuse Facility ID: \_\_\_\_\_ 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	8+1/2	36	0	1730	802	1730	0
1ST	9+5/8	5+1/2	17	0	16441	2671	16441	0

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

i. While drilling the lateral portion of the subject well, mudlogging and drilling parameters indicated that a fault was encountered at approximately 11,000 ft and our lateral entered the Sharon Springs formation. No issues were encountered at that time and so drilling continued. Later in the lateral, another fault again threw our lateral well path into the Sharon Springs, around 14,000'. Upon review, we decided to run a wiper trip through these known areas of Sharon Springs formation. While doing so, the pipe frequently become stuck and had to be worked free. After completing a wiper trip through these zones back to 10,500' MD, we attempted to wash and ream back to bottom. That was unsuccessful as we continued to notice increased weight on bit and torque on the pipe. Hole continued to lose stability until we were unable to move any further down hole past 11,200' MD. It was then decided to sidetrack this wellbore to a lower TVD to avoid these faults into the Sharon Springs.

ii. Current TD is 14,987' MD

iii. Surface casing (9-5/8" 36#/ft) set at 1,730'.

iv. No fish in hole

v. None, sidetrack will be done using rotary steerable tools in open hole

vi. None, sidetrack will be done using rotary steerable tools in open hole

vii. The sidetrack will be initiated at +/- 6,850' MD.

viii. In order to properly prepare for the faults that were encountered, we are going to lower the target objective from the Niobrara B Chalk to the Niobrara C Chalk

ix. BHL target will remain same as currently permitted (1,061 FNL, 470 FWL)

Exception Location Waiver submitted previously with sundry #401447395.

The Guttersen #8U-203 [API #: 123-39362], operated by PDC Energy Inc., is the nearest well in the same formation, the distance was measured in 2D. The well status is currently permitted.

The nearest wellbore belonging to another operator was measured to the Guttersen #8U-203 [API #: 123-39362], operated by PDC Energy Inc. The distance was measured in 2D. The well status is currently permitted.

No wells owned by other operators are Producing, Temporarily Abandoned, or Shut-In within 150' of this wells productive lateral, therefore stimulation setback consent is not needed.

Verbal approval was received by Diana Burns on 1/12/2018 at approximately 11:30 PM, please see the attached email correspondence.

This application is in a Comprehensive Drilling Plan No CDP #: \_\_\_\_\_

Location ID: 450201

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: Ariana Solis

Title: Regulatory Analyst Date: 1/15/2018 Email: asolis@bonanzacr.com

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: \_\_\_\_\_

Expiration Date: \_\_\_\_\_

API NUMBER

05 123 44703 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

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## Best Management Practices

### No BMP/COA Type

### Description

1	Drilling/Completion Operations	This well will be logged with open hole Resistivity Log and Gamma Ray Log from the kick-off point into the surface casing. A cement bond log with gamma-ray will be run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of the wellbore will be logged with a measuredwhiledrilling gamma-ray log. The Form 5, Completion Report, will list all logs run and have those logs attached.
2	Drilling/Completion Operations	Operator will comply with COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 2 comment(s)

## Attachment Check List

### Att Doc Num

### Name

401513225	FORM 2 SUBMITTED
401513316	OffsetWellEvaluations Data
401513362	DIRECTIONAL DATA
401513557	CORRESPONDENCE
401514204	WELLBORE DIAGRAM

Total Attach: 5 Files

## General Comments

### User Group

### Comment

### Comment Date

		Stamp Upon Approval
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Total: 0 comment(s)

**Public Comments**

No public comments were received on this application during the comment period.

