

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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Date Received:

04/05/2012

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 LLC4. COGCC Operator Number: 89605. Address: P O BOX 21974City: BAKERSFIELD State: CA Zip: 933906. Contact Name: Keith Caplan Phone: (720)440-6100 Fax: (720)279-2331Email: KCaplan@BonanzaCrk.com7. Well Name: Antelope Well Number: H-18

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

9. Proposed Total Measured Depth: 7040

WELL LOCATION INFORMATION

10. QtrQtr: SESW Sec: 18 Twp: 5N Rng: 62W Meridian: 6Latitude: 40.393721 Longitude: -104.370139

Footage at Surface: 651 feet FNL/FSL 1384 feet FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 9075012. Ground Elevation: 4595 13. County: WELD

14. GPS Data:

Date of Measurement: 02/23/2012 PDOP Reading: 2.1 Instrument Operator's Name: David Fehringer15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 2630 FSL 1350 FEL/FWL FWL Bottom Hole: FNL/FSL 2630 FSL 1350 FEL/FWL FWL
 Sec: 18 Twp: 5N Rng: 62W Sec: 18 Twp: 5N 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: 160 ft18. Distance to nearest property line: 651 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 760 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-Codell	NB-CD		160	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):

please see attached.

25. Distance to Nearest Mineral Lease Line: 1350 ft

26. Total Acres in Lease: 3041

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	12+1/4	8+5/8	24	0	410	170	410	0
1ST	7+7/8	4+1/2	11.6	0	7,040	154	7,040	6,190

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

33. Comments Conductor Casing will not be used on this well. GWA Spacing Unit = S/2NW4 Sec18-5N-62W and N/2SW4 Sec 18-5N-62W. Powerline listed at 160' will be lowered, if it is determined it is live.

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. Ops. Tech Date: 4/5/2012 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: 4/27/2012

API NUMBER

05 123 35481 00

Permit Number: _____ Expiration Date: 4/26/2014

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.

Operator must meet water well sampling requirements as per Rule 318A.

Well head is 160 feet from a power line; derrick height (ground to crown) cannot exceed 107 feet or the power line must be dropped as stated in this permit.

- 1) Provide 48 hour notice prior to spud via electronic Form 42.
- 2) Provide cement coverage from TD 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.

Attachment Check List

Att Doc Num	Name
2332320	SURFACE CASING CHECK
400265730	FORM 2 SUBMITTED
400265731	DEVIATED DRILLING PLAN
400265732	DIRECTIONAL DATA
400265733	PROPOSED SPACING UNIT
400265734	PROPOSED SPACING UNIT
400265735	LEGAL/LEASE DESCRIPTION
400265736	PLAT
400265737	SURFACE AGRMT/SURETY
400268884	EXCEPTION LOC WAIVERS
400268885	EXCEPTION LOC REQUEST

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Well pad is located in an abandoned hog farm. Operator has verified that all buildings are abandoned.	4/27/2012 10:26:58 AM
Permit	No LGD or public comment received; final review completed.	4/27/2012 9:13:57 AM
Permit	Operator has provided an anti-collision plan to address the proposed crossing of well-paths of existing directional wells.	4/6/2012 2:44:56 PM
Permit	Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Operator requests an exception location to 318Aa, 318Ac: Exception request and waiver attached.	4/6/2012 2:26:13 PM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)