

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:

400305491

Date Received:

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

PluggingBond SuretyID

20120018

3. Name of Operator: BONANZA CREEK ENERGY OPERATING COMPANY LLC

4. COGCC Operator Number: 8960

5. Address: 410 17TH STREET SUITE #1400

City: DENVER State: CO Zip: 80202

6. Contact Name: Erin Ekblad Phone: (720)440-6100 Fax: (720)279-2331
Email: eekblad@bonanzacr.com

7. Well Name: Latham Well Number: H-2

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

9. Proposed Total Measured Depth: 6640

WELL LOCATION INFORMATION

10. QtrQtr: SWNW Sec: 2 Twp: 4N Rng: 63W Meridian: 6

Latitude: 40.341550 Longitude: -104.411650

Footage at Surface: 2643 feet FNL 854 feet FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4529 13. County: WELD

14. GPS Data:

Date of Measurement: 04/20/2012 PDOP Reading: 1.2 Instrument Operator's Name: Wyatt Hall

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 2580 FSL 1361 FWL Bottom Hole: 2580 FSL 1361 FWL
Sec: 2 Twp: 4N Rng: 63W Sec: 2 Twp: 4N Rng: 63W

16. Is location in a high density area? (Rule 603b)? Yes No

17. Distance to the nearest building, public road, above ground utility or railroad: 389 ft

18. Distance to nearest property line: 854 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 361 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 | See Comments |

21. Mineral Ownership: Fee State Federal Indian Lease #: _____

22. Surface Ownership: Fee State Federal Indian

23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#: 200120019

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No

23b. 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):

Section 2: N/2NW/4, NE/4, NE/4SE/4; that part of the S/2NW/4, NE/4SW/4, NW/4SE/4, S/2SE/4 lying North of the Union Pacific Railroad right-of-way; That part of the S/2NW/4, NE/4SW/4, NW/4SE/4, S/2SE/4 lying South of the Union Pacific Railroad right-of-way; W/2SW/4, SE/4SW/4

25. Distance to Nearest Mineral Lease Line: 1361 ft 26. Total Acres in Lease: 662

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 | 6,640 | 112 | 6,640 | 6,023 |

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

33. Comments Conductor casing will not be used. Per rule 318Ae, the Operator requests the proposed spacing unit consisting of 160 acres, N2SW and S2NW of Sec 2 T4N R63W. Proposed spacing unit map and 30-day certificate is attached.

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: Erin Ekblad

Title: Regulatory Analyst Date: _____ Email: eekblad@bonanzacrk.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: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400305538 | WELL LOCATION PLAT |
| 400305539 | DEVIATED DRILLING PLAN |
| 400305540 | DIRECTIONAL DATA |
| 400305542 | PROPOSED SPACING UNIT |

Total Attach: 4 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
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Total: 0 comment(s)