

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Document Number:

400270942

Date Received:

06/01/2012

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 LLC

4. COGCC Operator Number: 8960

5. Address: 410 17TH STREET SUITE #1400

City: DENVER State: CO Zip: 80202

6. Contact Name: Keith Caplan Phone: (720)440-6100 Fax: (720)279-2331

Email: KCaplan@BonanzaCrk.com

7. Well Name: Seventy Holes Well Number: 41-11-18HZ

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

9. Proposed Total Measured Depth: 10835

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 18 Twp: 4N Rng: 62W Meridian: 6

Latitude: 40.318560 Longitude: -104.358720

Footage at Surface: 552 feet FNL 250 feet FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 4509 13. County: WELD

14. GPS Data:

Date of Measurement: 03/26/2012 PDOP Reading: 1.9 Instrument Operator's Name: Wyatt Hall

15. 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 _____
460 FNL 460 FEL 460 FNL 460 FWL
Sec: 18 Twp: 4N Rng: 62W Sec: 18 Twp: 4N Rng: 62W

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: 2970 ft

18. Distance to nearest property line: 250 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 200 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	NBRR		160	GWA

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#: _____

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):

N/2N/2 of Section 18 T4N R62W plus acreage in other lands

25. Distance to Nearest Mineral Lease Line: 460 ft 26. Total Acres in Lease: 8437

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	9+5/8	36	0	410	129	410	0
1ST	8+3/4	7+0/0	26	0	6,528	778	6,528	0
1ST LINER	6+1/8	4+1/2	11.3	6528	10,835			

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

33. Comments Conductor Casing will not be used on this well. Wellbore Spacing Unit of 160 acres, N2N2 of Sec 18 T4N R62W. Proposed spacing unit map and BCEI sole ownership letter 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: Keith Caplan

Title: Sr. Operations Technician Date: 6/1/2012 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: 7/30/2012

API NUMBER
05 123 35890 00

Permit Number: _____ Expiration Date: 7/29/2014

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.

- 1) Provide 48 hour notice prior to spud via electronic Form 42.
- 2) Provide cement coverage from base of intermediate casing 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.

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

Attachment Check List

Att Doc Num	Name
2169118	SURFACE CASING CHECK
2532485	PROPOSED SPACING UNIT
2532853	CONSULT NOTICE
2532854	EXCEPTION LOC WAIVERS
2532855	EXCEPTION LOC REQUEST
2532856	SURFACE AGRMT/SURETY
400270942	FORM 2 SUBMITTED
400280756	DEVIATED DRILLING PLAN
400280758	DIRECTIONAL DATA
400280761	PLAT
400291353	PROPOSED SPACING UNIT

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	7/30/2012 2:07:10 PM
Permit	Operator provided SUA memo.	7/30/2012 2:03:07 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.	7/30/2012 1:53:38 PM
Permit	Updated permit with revised 30 day cert. letter.	3/4/2012 9:46:11 AM
Permit	This horizontal well comes within 300 feet or less of another active/planned oil and gas well. Operator has provided the Frac monitoring BMP.	3/4/2012 6:19:25 AM
Permit	On hold - Proposed spacing unit configuration description in 30 day cert letter is inaccurate.	3/4/2012 6:16:08 AM
Permit	On hold - Waiting for exception location request and waiver for surface location being outside established drilling windows (rule 318Aa)	3/4/2012 6:08:13 AM

Total: 7 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<p>Wellbore Fracturing Stimulation</p> <ol style="list-style-type: none">1. At least seven (7) days prior to fracture stimulation, the operator is to notify all operators of non-operated wells within 300 feet of the wellbore to be fracture stimulated of the anticipated stimulation date and the recommended best management practice to shut-in all wells within 300' of the stimulated wellbore completed in the same formation.2. The operator will monitor the bradenhead pressure of all wells within 300 feet of the well to be fracture stimulated.3. Bradenhead pressure gauges are to be installed 24 hours prior to stimulation. The gauges are to read at least once during every 24-hour period until 24-hours after stimulation is completed (post flowback). The gauges are to be of the type able to read current pressure and record the maximum encountered pressure in a 24-hour period. The gauge is to be reset between each 24-hour period. The pressures are to be recorded and saved. Alternate electronic measurement may be used to record the prescribed pressures. Data shall be kept for a period of one year.4. If at any time during stimulation or the 24-hour post-stimulation period, the bradenhead annulus pressure of the treatment well or offset wells increases more than 200 psig, as per Rule 341, the operator of the well being stimulated shall verbally notify the Director as soon as practicable, but no later than twenty-four (24) hours following the incident. Within fifteen (15) days after the occurrence, the operator shall submit a Sundry Notice, Form 4, giving all details, including corrective actions taken.

Total: 1 comment(s)