

FORM

2

Rev  
12/05

## State of Colorado

## Oil and Gas Conservation Commission

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06/11/2012

PluggingBond SuretyID

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## 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: 410 17TH STREET SUITE #1400City: DENVER State: CO Zip: 802026. Contact Name: Keith Caplan Phone: (720)440-6100 Fax: (720)279-2331Email: KCaplan@BonanzaCrk.com7. Well Name: Seventy Holes Well Number: 41-18

8. Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

9. Proposed Total Measured Depth: 6591

## WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 18 Twp: 4N Rng: 62W Meridian: 6Latitude: 40.318470 Longitude: -104.358720

Footage at Surface: 582 feet FNL/FSL 250 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 9999912. Ground Elevation: 4509 13. County: WELD

## 14. GPS Data:

Date of Measurement: 03/26/2012 PDOP Reading: 1.5 Instrument Operator's Name: Wyatt Hall15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 660 FNL 660 FEL 660 FEL 660  
 Bottom Hole: FNL/FSL 660 FNL 660 FEL 660 FEL 660  
 Sec: 18 Twp: 4N Rng: 62W Sec: 18 Twp: 4N 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: 2970 ft18. 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.)
J-Sand	JSND		80	N/2NE4
Niobrara-Codell	NB-CD		40	NENE

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 ☐ 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):

N2N2 of Section 18 4N 62W plus acreage in other lands

25. Distance to Nearest Mineral Lease Line: 660 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	8+5/8	24	0	410	170	410	0
1ST	7+7/8	4+1/2	11.6	0	7,091	205	7,091	5,960

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

33. Comments Conductor Casing will not be used on this well. Spacing Unit is NE/4NE/4 Sec 18-4N-62W (40 Acres).

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: 6/11/2012 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 35891 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.

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

- 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.

### **Attachment Check List**

Att Doc Num	Name
2532849	EXCEPTION LOC WAIVERS
2532850	CONSULT NOTICE
2532851	SURFACE AGRMT/SURETY
2532852	EXCEPTION LOC REQUEST
400270941	FORM 2 SUBMITTED
400280723	PLAT
400294436	DIRECTIONAL DATA
400294456	DEVIATED DRILLING PLAN

Total Attach: 8 Files

### **General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
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 1:54:14 PM
Permit	Final review completed; no LGD or public comment received.	7/30/2012 1:45:47 PM
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.	7/30/2012 1:45:16 PM
Permit	Operator provided exception location request and an SUA.	7/30/2012 1:39:40 PM
Permit	Operator provided the exception location waiver. Waiting on request.	7/30/2012 1:23:44 PM
Permit	On hold - Waiting on exception location request and waivers to rule 318Aa.	6/12/2012 6:49:08 AM
Permit	Returned to draft. Measured depth and TVD do not match directional template.	6/11/2012 2:07:58 PM
Permit	Returned to draft. Incorrect data in TVD in Directional Template.	6/11/2012 1:31:01 PM
Permit	Returned to draft per operator request.	6/11/2012 12:36:43 PM

Total: 9 comment(s)

## BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	<p>1. At least twenty (20) days prior to initiating a Treatment, the operator ("Operator") shall provide written notice, via hand delivery, via confirmed receipt email, or via certified mail, return-receipt requested, to all adjacent operators ("Adjacent Operators") where the Adjacent Operator's wellbore is located within 300 feet of the Operator's wellbore and the Adjacent Operator's wellbore penetrates the productive zone which is to be treated by the Operator. Such notice shall include the anticipated date of the Treatment and shall provide a copy of this Policy.</p> <p>2. Within seven (7) days of receipt of such notice, the Adjacent Operator shall confirm in writing to the Operator that it will comply with this Policy. If the Adjacent Operator refuses to confirm that it will comply with this Policy, or fails to timely respond to the Operator's notice, the Operator shall advise the Commission staff of such refusal or failure by email. The Commission may then order the Adjacent Operator's compliance.</p> <p>3. The Operator shall monitor the bradenhead pressure of all wells under Operator's control within 300 feet of the well which is to be treated, provided such other wells penetrate the productive zone which is to be treated.</p> <p>4. The Operator and Adjacent Operator(s) shall install bradenhead pressure gauges on their respective wells 24 hours prior to the Operator initiating a Treatment. The Operator and Adjacent Operator(s) shall monitor their respective gauges at least once during every 24-hour period until 24 hours after the Treatment is completed and shall continue to do so until the pressure stabilizes. The bradenhead pressure gauges shall be capable of monitoring current pressure and also capable of recording the maximum pressure encountered in a 24 hour period. Such gauges shall be reset between each 24 hour period. The pressures shall be recorded and saved for a period of one year. Alternate electronic measurement may be used to record the prescribed pressures.</p> <p>5. If at any time during the Treatment or the 24-hour post-stimulation period, the bradenhead annulus pressure of the Treatment well or any offset wells subject to this Policy increases by more than 200 psig, the Operator of the well being treated, or the Adjacent Operator(s) of an affected offsetting well, as the case may be, shall verbally notify each other and the Director, as soon as practicable, but no later than twenty-four (24) hours following such incident. Within fifteen (15) days after the occurrence, the Operator or Adjacent Operator(s), as the case may be, shall submit a Sundry Notice, Form 4, giving all details, including corrective actions taken.</p>

Total: 1 comment(s)