

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:

400315863

Date Received:

08/14/2012

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: Latham Well Number: F-J-1HZ

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

9. Proposed Total Measured Depth: 10927

WELL LOCATION INFORMATION

10. QtrQtr: SWSW Sec: 36 Twp: 5N Rng: 63W Meridian: 6

Latitude: 40.351890 Longitude: -104.390190

Footage at Surface: 1060 feet FNL/FSL 1093 feet FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4541 13. County: WELD

14. GPS Data:

Date of Measurement: 01/23/2012 PDOP Reading: 1.1 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 460 FNL 1650 FWL FWL Bottom Hole: FNL/FSL 460 FSL 1650 FWL FWL
Sec: 1 Twp: 4N Rng: 63W Sec: 1 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: 280 ft

18. Distance to nearest property line: 200 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1180 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	407-538	640	All

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#: 20120019

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):

Please see attached.

25. Distance to Nearest Mineral Lease Line: 460 ft

26. Total Acres in Lease: 9004

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	13+1/2	9+5/8	36	0	464	457	464	0
1ST	8+3/4	7+0/0	26	0	6,864	500	6,864	2,500
1ST LINER	6+1/8	4+1/2	11.3	6764	10,927			

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

33. Comments Conductor casing will not be used on this well. This APD is for Unplanned Sidetrack #2 there have been no changes to top of production of BHL. Memorandum of SUA attached.

34. Location ID: 428456

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 S. Caplan

Title: Sr. Regulatory Specialist Date: 8/14/2012 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: Matthew Lee Director of COGCC Date: 8/28/2012

API NUMBER

05 123 35441 02

Permit Number: _____ Expiration Date: 8/27/2014

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 testing requirements per Rule 318A.

For compliance only: 1) Comply with Rule 317.i and provide cement coverage from the end of the production casing to a minimum of 200' above the Niobrara. Verify coverage with a cement bond log.

Attachment Check List

Att Doc Num	Name
400315863	FORM 2 SUBMITTED
400315865	SURFACE AGRMT/SURETY
400315866	PLAT
400315867	DEVIATED DRILLING PLAN
400315868	LEGAL/LEASE DESCRIPTION

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	8/20/2012 11:06:15 AM
Permit	Off hold. Changed SUA to bond because SUA did not cover SHL, input comment about sidetrack, input BMP's, and location number per operator.	8/20/2012 11:05:38 AM
Permit	On Hold. Requested SUA, description of sidetrack, location number, and BMP's	8/20/2012 9:35:37 AM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	Bonanza Creek Energy acknowledges and will comply with the COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012

Total: 1 comment(s)