

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Document Number:

400360444

Date Received:

04/03/2013

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: Randy Edelen Phone: (720)440-6100 Fax: (720)279-2331

Email: REdelen@bonanzacr.com

7. Well Name: Latham Well Number: O-K-2HNB

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

9. Proposed Total Measured Depth: 10934

WELL LOCATION INFORMATION

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

Latitude: 40.335160 Longitude: -104.403490

Footage at Surface: 296 feet FSL 2162 feet FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4521 13. County: WELD

14. GPS Data:

Date of Measurement: 04/20/2012 PDOP Reading: 2.0 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 _____
631 FSL 2705 FEL 470 FNL 2558 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: 1955 ft

18. Distance to nearest property line: 296 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1600 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	407-740	640	Section 2 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#: _____

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):

4N-63W-2 All and lands in other sections

25. Distance to Nearest Mineral Lease Line: 470 ft 26. Total Acres in Lease: 2074

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	36.00	0	410	200	410	0
1ST	8+3/4	7	26.00	0	6,730	500	6,730	2,500
1ST LINER	6+1/8	4+1/2	11.60	6630	10,934			

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

33. Comments Conductor casing will not be used. Operator requests an exception location per rule 318Aa and rule 318Ac: well will not be drilled in a legal drilling window or twinned with an existing well. Waivers attached.No offset wells within 500 feet, Offset Well Evaluation sheet not required

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: Randy Edelen

Title: Regulatory Specialist Date: 4/3/2013 Email: REdelen@bonanzacr.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: 5/9/2013

API NUMBER **05 123 37287 00** Permit Number: _____ Expiration Date: 5/8/2015

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 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.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

Attachment Check List

Att Doc Num	Name
400360444	FORM 2 SUBMITTED
400399187	WELL LOCATION PLAT
400399188	DEVIATED DRILLING PLAN
400399234	EXCEPTION LOC WAIVERS
400399238	EXCEPTION LOC REQUEST
400399811	DIRECTIONAL DATA

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed. No LGD or public comments.	5/7/2013 8:54:08 AM
Engineer	No existing wells within 500' of proposed directional.	4/22/2013 2:16:32 PM
Permit	Operator requests distance be changed to 1955'.	4/15/2013 12:28:37 PM
Permit	Requested review of the distance to the nearest building..... on line #19. Appears to be around 1955'.	4/15/2013 11:58:17 AM
Permit	This form has passed completeness.	4/4/2013 12:21:01 PM
Permit	Returned to Draft: no directional data.	4/4/2013 11:27:13 AM

Total: 6 comment(s)

BMP

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