

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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Document Number:

400393988

Date Received:

04/01/2013

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 LLC4. COGCC Operator Number: 89605. Address: 410 17TH STREET SUITE #1400City: DENVER State: CO Zip: 802026. Contact Name: Randy Edelen Phone: (720)440-6100 Fax: (720)2331Email: REdelen@bonanzacrk.com7. Well Name: State Antelope Well Number: U-Y-32HNB

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

9. Proposed Total Measured Depth: 10984

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 32 Twp: 5N Rng: 62W Meridian: 6Latitude: 40.361920 Longitude: -104.342340Footage at Surface: 550 feet FNL/FSL 1139 feet FEL/FWL FEL11. Field Name: Wattenberg Field Number: 9075012. Ground Elevation: 4580 13. County: WELD

14. GPS Data:

Date of Measurement: 10/29/2012 PDOP Reading: 1.6 Instrument Operator's Name: Brian Rotinghaus15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**Footage at Top of Prod Zone: FNL/FSL 631 FNL 10 FEL 470 FSL 10 FEL 470
Sec: 32 Twp: 5N Rng: 62W Sec: 32 Twp: 5N Rng: 62W16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 2905 ft18. Distance to nearest property line: 550 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 650 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		320	GWA

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: CO 2146.1222. 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 ☐ No23b. 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):

5N-62W-32 All

25. Distance to Nearest Mineral Lease Line: 10 ft

26. Total Acres in Lease: 640

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	6,807	500	6,807	2,500
1ST LINER	6+1/8	4+1/2	11.60	6707	10,984			

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. Per rule 318Ae, the Operator requests the proposed spacing unit consisting of 5N-62W-32 E/2E/2 and 5N-62W-33 W/2W/2 containing 320.00 acres more or less Proposed spacing unit map and 30-day certificate is 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: 4/1/2013 Email: REdelen@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: 4/27/2013

API NUMBER

05 123 37227 00

Permit Number: _____ Expiration Date: 4/26/2015

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
400393988	APD APPROVED
400398372	WELL LOCATION PLAT
400398374	DEVIATED DRILLING PLAN
400398418	EXCEPTION LOC WAIVERS
400398446	PROPOSED SPACING UNIT
400398447	EXCEPTION LOC REQUEST
400398556	DIRECTIONAL DATA
400398706	PROPOSED SPACING UNIT
400416681	FORM 2 SUBMITTED

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed. No LGD or public comments.	4/24/2013 7:35:34 AM
Engineer	No existing wells within 500' of proposed directional.	4/22/2013 2:09:20 PM
Permit	Operator corrected directional template, proposed spacing unit, and lease description. This form has passed completeness.	4/2/2013 1:08:44 PM
Permit	Returned to draft. Directional template was not uploaded, proposed spacing unit is not on a plat, and requested clarification of lease owners.	4/2/2013 6:52:48 AM

Total: 4 comment(s)

BMP

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