

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



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04/09/2013

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: Keith Caplan Phone: (720)440-6100 Fax: (720)279-2331Email: KCaplan@BonanzaCrk.com7. Well Name: State Seventy Holes Well Number: T-P-6HNB

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

9. Proposed Total Measured Depth: 10944

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 6 Twp: 4N Rng: 62W Meridian: 6Latitude: 40.335490 Longitude: -104.363000

Footage at Surface: 430 feet FNL/FSL 1133 feet FEL/FWL FEL

11. Field Name: Wattenberg Field Number: 9075012. Ground Elevation: 4530 13. County: WELD

14. GPS Data:

Date of Measurement: 02/02/2013 PDOP Reading: 1.4 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 531 FSL 1251 FEL 470 FNL 1226 FEL 470
 Bottom Hole: FNL/FSL 470 FNL 1226 FEL 470
 Sec: 6 Twp: 4N Rng: 62W Sec: 6 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: 802 ft18. Distance to nearest property line: 430 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1830 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		331	GWA

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 ☐ 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):

Section 6-T4N-R62W: ALL

25. Distance to Nearest Mineral Lease Line: 470 ft

26. Total Acres in Lease: 633

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	410	200	410	0
1ST	8+3/4	7	26	0	6,670	500	6,670	2,500
1ST LINER	6+1/8	4+1/2	11.6	6570	10,944			

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

33. Comments Conductor casing will not be used on this well. Distance to nearest well permitted/completed in same formation is measured to State Seventy Holes 24-21-6HNB (APD recently submitted). 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 318A(l).a(4)D, the Operator requests a GWA spacing unit consisting of 310 acres, E/2 Sec 06-T4N-R62W. Bonanza is the sole owner in the proposed unit. No offset wells within 500 feet of this proposed well; therefore an Offset Well Evaluation sheet is 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: Keith S. Caplan

Title: Sr. Regulatory Specialist Date: 4/9/2013 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: 5/19/2013

API NUMBER

05 123 37405 00

Permit Number: _____ Expiration Date: 5/18/2015

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
1792776	EXCEPTION LOC REQUEST
2486446	SURFACE CASING CHECK
400401528	FORM 2 SUBMITTED
400401775	EXCEPTION LOC WAIVERS
400401797	PROPOSED SPACING UNIT
400401812	PROPOSED SPACING UNIT
400401820	PLAT
400401821	DEVIATED DRILLING PLAN
400401822	DIRECTIONAL DATA

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.	5/8/2013 9:22:51 AM
Permit	Received actual Exception Location Request Letter.	5/8/2013 9:21:23 AM
Engineer	No existing wells within 500' of proposed directional.	4/22/2013 2:29:48 PM
Permit	Requested that Bonanza explain the attachment labeled "variance request" letter. It appears to be a near duplicate of the Proposed Spacing unit letter; Exception Location Request Letter is needed	4/17/2013 2:09:36 PM
Permit	"Bonanza is the sole mineral owner in the proposed spacing unit, and no mineral owner notificatins were required." is stated in the Proposed Spacing Unit letter.	4/17/2013 2:05:01 PM
Permit	This form has passed completeness.	4/10/2013 8:21:47 AM

Total: 6 comment(s)

BMP

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