

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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02/20/2013

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@BonanzaCrk.com

7. Well Name: State North Platte Well Number: 41-44-26HNB

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

9. Proposed Total Measured Depth: 10939

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 26 Twp: 5N Rng: 63W Meridian: 6

Latitude: 40.375010 Longitude: -104.396410

Footage at Surface: 878 feet FNL/FSL 763 feet FEL/FWL FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4561 13. County: WELD

14. GPS Data:

Date of Measurement: 01/25/2013 PDOP Reading: 1.8 Instrument Operator's Name: Brian Rottinghaus

15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 631 FNL 820 FEL 470 FSL 820 FEL 470
Sec: 26 Twp: 5N Rng: 63W Sec: 26 Twp: 5N 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: 455 ft

18. Distance to nearest property line: 763 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1100 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		160	GWA

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):

5N-63W-26 All

25. Distance to Nearest Mineral Lease Line: 470 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	6,847	500	6,847	2,500
1ST LINER	6+1/8	4+1/2	11.60	6747	10,939			

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; well will not be drilled in a legal drilling window. Waivers attached. Per rule 318Ae, the Operator requests the proposed spacing unit consisting of 5N-63W-26 E/2E/2 containing 160.00 acres more or less Proposed spacing unit map and 30-day certificate is attached.

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: 2/20/2013 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: 6/13/2013

API NUMBER

05 123 37562 00

Permit Number: _____ Expiration Date: 6/12/2015

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 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.

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
2486034	SURFACE CASING CHECK
400380485	FORM 2 SUBMITTED
400381574	WELL LOCATION PLAT
400381689	EXCEPTION LOC WAIVERS
400381726	EXCEPTION LOC REQUEST
400381745	PROPOSED SPACING UNIT
400381855	PROPOSED SPACING UNIT
400383267	DEVIATED DRILLING PLAN
400383268	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. Engineering took off hold.	6/13/2013 12:44:27 PM
Permit	Bonding with State Land Board is in good order as per Tim Kelly.	4/22/2013 7:41:51 AM
Permit	Re-requested bonding information from State Land Board. Also, WSU plat from Bonanza Creek.	4/4/2013 6:11:21 AM
Engineer	On Hold - 1 wells within 500' of the proposed directional plan lack adequate formation isolation. State #1-26, 123-07148 (lacks aquifer and Niobrara isolation. Emailed operator rep (REdelen@BonanzaCrk.com).	3/11/2013 4:13:28 PM
Permit	Requested verification from Tim Kelly and the State Land Board for proper bonding.	2/25/2013 2:31:25 PM
Permit	Operator requested to be pushed back to DRAFT to attach revised directional.	2/20/2013 2:00:02 PM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	Bonanza Creek Energy acknowledges the COGCC stated need for remediation of the offset well. An APD (doc# 400427173) has been submitted to remediate the State 1-26 (05-123-07148).

Total: 1 comment(s)