

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Document Number:

400389937

Date Received:

04/16/2013

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 Seventy Holes Well Number: P-T-4HNB

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

9. Proposed Total Measured Depth: 11070

WELL LOCATION INFORMATION

10. QtrQtr: NWNE Sec: 4 Twp: 4N Rng: 62W Meridian: 6

Latitude: 40.347880 Longitude: -104.327130

Footage at Surface: 370 feet FNL 1423 feet FEL
FNL/FSL FEL/FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4561 13. County: WELD

14. GPS Data:

Date of Measurement: 02/19/2013 PDOP Reading: 1.9 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 FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
531 FNL 1312 FEL 470 FSL 1325 FEL
Sec: 4 Twp: 4N Rng: 62W Sec: 4 Twp: 4N Rng: 62W

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: 1 mi

18. Distance to nearest property line: 370 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 2230 ft

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	535-4	640	Section 4 All

21. Mineral Ownership: Fee State Federal Indian Lease #: CO 2140.12

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-4 N/2 and part of the S/2 lying North of the Canal

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 449

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	6755	500	6755	2500
1ST LINER	6+1/8	4+1/2	11.60	6655	11070			

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

33. Comments Conductor casing will not be used on this well. Horizontal well crosses lease lines within GWA horizontal wellbore unit; distance to lease line is 0'1) Section 04 is currently spaced for one Niobrara Horizontal well. The one APD(State Seventy Holes P-T-4HNB) has been submitted concurrently with this application. 2) Due to spacing order 535-4, the remaining six planned wells for this section are not legal (assuming that they would be Niobrara/Codell wells) at this time and no additional APDs for Cretaceous aged targets will be submitted until such time that Bonanza receives an approved spacing order which will allow for additional Cretaceous Formation targets

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: 4/16/2013 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: 8/15/2013

API NUMBER **05 123 37833 00** Permit Number: _____ Expiration Date: 8/14/2015

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.

COA Type	Description
	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
400389937	FORM 2 SUBMITTED
400405054	WELL LOCATION PLAT
400405055	DEVIATED DRILLING PLAN
400405056	DIRECTIONAL DATA

Total Attach: 4 Files

General Comments

User Group	Comment	Comment Date
Permit	Final review completed. No LGD or public comments.	8/15/2013 6:22:28 AM
Permit	Operator submitted the following statement concerning the number of possible horizontal NBRR wells: 1) Section 04 is currently spaced for one Niobrara Horizontal well. The one APD (State Seventy Holes P-T-4HNB) has been submitted concurrently with this application. 2) Due to spacing order 535-4, the remaining six planned wells for this section are not legal (assuming that they would be Niobrara/Codell wells) at this time and no additional APDs for Cretaceous aged targets will be submitted until such time that Bonanza receives an approved spacing order which will allow for additional Cretaceous Formation targets	8/15/2013 6:21:30 AM
Permit	Requested waiver process and review of 535-4. That would restrict section to 1 horizontal but ask if the same verbiage could be use to explain how this would be resolved in the future. Such as, new spacing order....etc.	7/10/2013 7:26:53 AM
Permit	This spacing order has been changed to read 460', but the SHL is not within a GWA window therefore waivers must be supplied.	5/29/2013 1:18:37 PM
Permit	Requested review of Spacing Order 535-4 which requested that the TOP and BHL be 600' from the unit outline. Neither TOP or BHL comply. Also, the accompanying form 2A says there are going to be 7 wells on this pad, not sure how many if any horizontals.	4/25/2013 8:07:31 AM
Engineer	No existing wells within 500' of proposed directional.	4/22/2013 2:27:44 PM
Permit	Passed for completeness.	4/17/2013 10:30:51 AM
Permit	RTD: Top of production zone is not the surface location.	4/17/2013 9:30:00 AM

Total: 8 comment(s)

Best Management Practices

No BMP/COA Type

Description