

FORM

2

Rev
08/13

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Document Number:

400631954

APPLICATION FOR PERMIT TO:

☒ Drill
 ☐ Deepen
 ☐ Re-enter
 ☐ Recomplete and Operate

Date Received:

07/11/2014

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER UnplannedRefiling ☐ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐Sidetrack ☒Well Name: PronghornWell Number: 13-43-9HNBName of Operator: BONANZA CREEK ENERGY OPERATING COMPANY LLCCOGCC Operator Number: 8960Address: 410 17TH STREET SUITE #1400City: DENVERState: COZip: 80202Contact Name: Katey KrupkaPhone: (720)440-6100Fax: (720)279-2331Email: Kkrupka@BonanzaCrk.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120018

WELL LOCATION INFORMATION

QtrQtr: SWSW Sec: 9 Twp: 5N Rng: 61W Meridian: 6Latitude: 40.411940Longitude: -104.222810
 Footage at Surface: 1279 feet FNL/FSL FSL 240 feet FEL/FWL FWL
Field Name: WATTENBERGField Number: 90750Ground Elevation: 4637County: WELD

GPS Data:

Date of Measurement: 12/09/2013 PDOP Reading: 1.6 Instrument Operator's Name: Tom WinansIf well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**
 Footage at Top of Prod Zone: FNL/FSL 1840 FSL 631 FWL 1862 FSL 470 FEL FEL
 Sec: 9 Twp: 5N Rng: 61W Sec: 9 Twp: 5N Rng: 61W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ IndianThe Surface Owner is: ☒ is the mineral owner beneath the location.

(check all that apply)

☒ is committed to an Oil and Gas Lease.☒ has signed the Oil and Gas Lease.☐ is the applicant.The Mineral Owner beneath this Oil and Gas Location is: ☒ Fee ☐ State ☐ Federal ☐ IndianThe Minerals beneath this Oil and Gas Location will be developed by this Well: YesThe right to construct the Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place: _____

Surface Surety ID: _____

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

SW/4 Sec. 9, Twp 5N, Rng 61W

Total Acres in Described Lease: 160 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease #

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 528 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 5280 Feet

Above Ground Utility: 224 Feet

Railroad: 5280 Feet

Property Line: 240 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: ☐ Buffer Zone
☐ Exception Zone
☐ Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government:

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners:

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 600 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 470 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): Unit Number:

SPACING & FORMATIONS COMMENTS

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR	407-633	640	S. 9:All

DRILLING PROGRAM

Proposed Total Measured Depth: 10837 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 600 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type: ☒ Annular Preventor ☒ Double Ram ☐ Rotating Head ☐ None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 318A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Recycle/reuse

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Beneficial reuse

Other Disposal Description:

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: 427606 or Document Number:

CASING PROGRAM

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	6529	500	6529	2500
1ST LINER	6+1/8	4+1/2	11.6	6429	10837			

☒ Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- ☐ Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- ☐ Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- ☐ Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- ☐ Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- ☒ Rule 318A.a. Exception Location (GWA Windows).
- ☒ Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

☐ Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number

OTHER LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318.c. Exception Location from Rule or Spacing Order Number
- ☐ Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments	<p>Request for approval to side track this well, as we are unable to get past 8900' with multiple attempts. Explanation of the situation that has resulted in the need to sidetrack =Tight hole and cannot get past 8,900' with any bha we've tried.</p> <p>ii. Total measured depth reached in the wellbore being plugged back = 10,814'</p> <p>iii. Casing set – size(s) and measured depth(s) =9 5/8" set at 448' 7" set at 6529'</p> <p>iv. Description of fish in the hole (if any) – including top and bottom measured depths =N/A</p> <p>v. Description of proposed plugs: setting measured depths, heights, and cement volumes =Class g cement plug from 8700'-8200' pumping 20 bbls of cement</p> <p>vi. Type of cement to be used for all plugs, including slurry weight (ppg) and yield (cf/sk) =170 sacks yeild .94 sx/cu ft 17.5 ppg</p> <p>vii. Measured depth of proposed sidetrack kick-off point =8300'</p> <p>viii. Proposed objective formation(s) for sidetrack hole – new or same as the wellbore being abandoned =same as the wellbore being abandoned</p> <p>ix. BHL target for sidetrack hole – new or same as the wellbore being abandoned (NOTE: a change in the BHL must be reviewed and approved by COGCC Permitting prior to completing the sidetrack. Drilling a sidetrack to an unapproved BHL could result in an NOAV, plugging the well, or both). =Don't have new directional plans yet to determine exact BHL. As soon as I have them I will update you on its status.</p>
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This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 436843

Is this application being submitted with an Oil and Gas Location Assessment application? No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Katey Krupka

Title: Regulatory Assistant Date: 7/11/2014 Email: Kkrupka@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:  Director of COGCC Date: 7/18/2014

Expiration Date: 07/17/2016

API NUMBER

05 123 39288 01

Conditions Of Approval

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

	Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged.
	1) Provide 48 hour notice of spud via electronic Form 42. 2) Cement from 770' to 50' above surface casing, verify coverage with cement bond log. Or set 770' of surface casing. (due to WW's in upper Pierre Sand, SESW 15-5N-61W) 3) Provide cement coverage to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 4) 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.

Best Management Practices

No BMP/COA Type

Description

1	Drilling/Completion Operations	Open Holes Logs- Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage on either this well or the other remaining proposed offset well not yet drilled on this pad. The Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged.
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Total: 1 comment(s)

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

2167825	WELL LOCATION PLAT
400631954	FORM 2 SUBMITTED
400642395	OffsetWellEvaluations Data
400642401	EXCEPTION LOC WAIVERS
400642404	EXCEPTION LOC REQUEST
400643479	DEVIATED DRILLING PLAN
400643485	DIRECTIONAL DATA

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	7/18/2014 8:19:36 AM
Permit	Requested and attached a new plat from opr. Corrected API to reflect ST with "01" extention.	7/17/2014 2:36:58 PM
Engineer	Offset wells evaluated with original permit submittal.	7/17/2014 10:26:44 AM
Permit	Passed completeness.	7/11/2014 1:10:21 PM

Total: 4 comment(s)