



**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.)

T5N-R62W: Section 2: Lots 1-4, S2N2, S2

Total Acres in Described Lease: 644 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # OG8039.4

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 470 Feet

**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

Building: 5280 Feet  
 Building Unit: 5280 Feet  
 High Occupancy Building Unit: 5280 Feet  
 Designated Outside Activity Area: 5280 Feet  
 Public Road: 1125 Feet  
 Above Ground Utility: 1225 Feet  
 Railroad: 5280 Feet  
 Property Line: 385 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: 330 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**

GWA Spacing Unit = Section 2-T5N-R62W: Lots 1-4.

**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		160	GWA

**DRILLING PROGRAM**

Proposed Total Measured Depth: 10881 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 39 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S 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:     ONSITE          Drilling Fluids Disposal Methods:     Recycle/reuse      
 Cuttings Disposal:     OFFSITE          Cuttings Disposal Method:     Beneficial reuse      
 Other Disposal Description:

Beneficial reuse or land application plan submitted?                       
 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	6605	500	6605	2500
1ST LINER	6+1/8	4+1/2	11.6	6505	10881			

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

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: \_\_\_\_\_

Is this application being submitted with an Oil and Gas Location Assessment application? Yes

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

Signed: \_\_\_\_\_ Print Name: Keith Caplan

Title: Sr Regulatory Specialist Date: 11/20/2014 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: 1/21/2015

Expiration Date: 01/20/2017

<b>API NUMBER</b> 05 123 41044 00
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## 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.

<u>COA Type</u>	<u>Description</u>
	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) Submit Form 42 electronically to COGCC 48 hours prior to MIRU. 2) Comply with Rule 317.i and provide cement coverage from end of 7" 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. The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
	Operator acknowledges the proximity of the listed well: Operator agrees to: provide mitigation option 1 or 2 (per the DJ Basin Horizontal Offset Policy) to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, and submit a Form 42 ("OFFSET MITIGATION COMPLETED") for the remediated wells, referencing the API number of the proposed horizontal well(s) stating what appropriate mitigation occurred and that it has been completed, prior to the hydraulic stimulation of this well.  GRACE STATE 2-1 (API NO 123-10130)

## Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Best Management Practices for Anti-Collision. Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5.
2	Drilling/Completion Operations	Operator will comply with COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 2 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

<u>Att Doc Num</u>	<u>Name</u>
400727338	FORM 2 SUBMITTED
400734287	EXCEPTION LOC REQUEST
400734288	EXCEPTION LOC WAIVERS
400737591	OffsetWellEvaluations Data
400737593	WELL LOCATION PLAT
400737595	DEVIATED DRILLING PLAN
400737597	DIRECTIONAL DATA
400738979	PROPOSED SPACING UNIT
400738982	ANTI-COLLISION WAIVER

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 comment received.	1/20/2015 10:21:23 AM
Permit	Operator corrected distance to public road and distance to nearest wellbore permitted in formation.	12/18/2014 1:42:38 PM
Permit	Operator requests approval of a Rule 318An exception location: Wellbore is to be located less than 150' from an existing wellbore. Request and waivers attached.  -Distance to Public Road and Above Ground Utility are both listed at 1225'. -Distance from completed portion of wellbore to nearest wellbore permitted or completed in the same formation is incorrect. Emailed operator to correct.	12/17/2014 8:36:08 AM
Engineer	Offset Wells Evaluated.	12/2/2014 1:53:24 PM
Permit	Checked relevant exceptions. Passed completeness.	11/24/2014 1:19:19 PM
Agency	Returned to draft: Issue pertaining to the Well Location Plat and the Proposed Spacing Unit. The footage distances at the top of prod. zone and at BH are not consistent between: 1) the Well Location Plat, 2) the Proposed Spacing Unit Plat, and 3) the reference line listed near the top of the PSU letter.  PSU objection on map has been resolved.	11/21/2014 1:57:07 PM
Permit	Contacted Operator in regards to PSU objection on map. Notified operator of anti-collision rule change from 318A.m to 318A.n	11/21/2014 9:10:36 AM

Total: 7 comment(s)