

**APPLICATION FOR PERMIT TO:**

**Drill**       Deepen       Re-enter       Recomplete and Operate

TYPE OF WELL    OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____	Refiling <input type="checkbox"/>
ZONE TYPE    SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Sidetrack <input type="checkbox"/>

Date Received: 02/23/2015

Well Name: STATE SEVENTY HOLES      Well Number: U-Y-6HNB

Name of Operator: BONANZA CREEK ENERGY OPERATING COMPANY LLC      COGCC Operator Number: 8960

Address: 410 17TH STREET SUITE #1400

City: DENVER      State: CO      Zip: 80202

Contact Name: Keith Caplan      Phone: (720)440-6100      Fax: (720)279-2331

Email: kcaplan@bonanzacrk.com

**RECLAMATION FINANCIAL ASSURANCE**  
Plugging and Abandonment Bond Surety ID: 20120018

**WELL LOCATION INFORMATION**

QtrQtr: NENE      Sec: 6      Twp: 4N      Rng: 62W      Meridian: 6

Latitude: 40.348030      Longitude: -104.362380

Footage at Surface: 370 feet      FNL/FSL FNL 697 feet FEL/FWL FEL

Field Name: WATTENBERG      Field Number: 90750

Ground Elevation: 4544      County: WELD

GPS Data:  
Date of Measurement: 11/17/2014    PDOP Reading: 1.9    Instrument Operator's Name: Adam Beauprez

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
631	FNL 53	FEL	470	FSL 56	FEL
Sec: 6	Twp: 4N	Rng: 62W	Sec: 6	Twp: 4N	Rng: 62W

**LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT**

Surface Ownership:  Fee     State     Federal     Indian

The 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     Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The 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.)

Section 6, T4N, R62W: All

Total Acres in Described Lease: 633 Described Mineral Lease is:  Fee  State  Federal  Indian

Federal or State Lease # OG 2141.12

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 53 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: 5280 Feet  
 Above Ground Utility: 2602 Feet  
 Railroad: 5280 Feet  
 Property Line: 370 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: 151 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**

Operator requests a GWA spacing unit consisting of E/2E/2 Section 6, T4N, R62W, and W/2W/2 Section 5, T4N, R62W.

**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		320	GWA

**DRILLING PROGRAM**

Proposed Total Measured Depth: 10956 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 151 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:     OFFSITE          Drilling Fluids Disposal Methods:     Land application      
 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	700	200	700	0
1ST	8+3/4	7	26	0	6251	500	6251	2500
1ST LINER	6+1/8	4+1/2	11.6	6151	10956			

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: The closest Niobrara well is the U41-Y44-6HNC. The plat distance between laterals is 129' and the target TVD difference is 80'. Therefore the separation along the hypotenuse is 151'. please see BMP.

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: 2/23/2015 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: 4/12/2015

Expiration Date: 04/11/2017

**API NUMBER**  
05 123 41392 00

**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>
	1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU. 2) Increase Surface Casing depth to 700', and increase cement to fill the annulus to the surface, due to the Upper Pierre Aquifer being present. 3) Comply with Rule 317.j and provide cement coverage from end of 7" casing 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. 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.

## Best Management Practices

No	BMP/COA Type	Description
1	Construction	Operator shall Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
2	Drilling/Completion Operations	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.
3	Drilling/Completion Operations	Logging: 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 one of the other remaining proposed offset wells not yet drilled on this pad. The Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged.
4	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: 4 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
400785011	FORM 2 SUBMITTED
400786374	DEVIATED DRILLING PLAN
400786378	EXCEPTION LOC WAIVERS
400786379	EXCEPTION LOC REQUEST
400786380	OffsetWellEvaluations Data
400786382	PROPOSED SPACING UNIT
400788657	WELL LOCATION PLAT
400798674	DIRECTIONAL DATA

Total Attach: 8 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	4/10/2015 9:17:36 AM
Permit	per operator changed Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in same formation and Distance to nearest permitted or existing wellbore penetrating objective formation from 98' to 151'. Permitting Review Complete.	4/9/2015 12:08:24 PM
Permit	Surface Restoration Bond on file with SLB. ON HOLD: Requesting corrected Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in same formation and Distance to nearest permitted or existing wellbore penetrating objective formation.	3/16/2015 8:59:48 AM
Permit	Open Hole Logging BMP submitted by operator.	3/16/2015 8:59:47 AM
Engineer	Offset Wells Evaluated.	3/5/2015 1:31:14 PM
Permit	Passed completeness.	2/24/2015 2:33:30 PM
Permit	Directional data not imported correctly. Return to draft.	2/24/2015 2:17:49 PM

Total: 7 comment(s)