

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: 05/12/2016

Well Name: Pronghorn Well Number: J-7-6XRLNB

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: Julie L. Vigil Phone: (303)803-1718 Fax: (720)279-2331

Email: jvigil@bonanzacrk.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20120018

WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 18 Twp: 5N Rng: 61W Meridian: 6

Latitude: 40.407330 Longitude: -104.256770

Footage at Surface: 428 feet FNL/FSL FNL 1425 feet FEL/FWL FWL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 4565 County: WELD

GPS Data:
Date of Measurement: 12/15/2015 PDOP Reading: 1.6 Instrument Operator's Name: Mike Johnson

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
<u>631</u>	<u>FSL</u>	<u>1320</u>	<u>470</u>	<u>FNL</u>	<u>1320</u>
	<u>FWL</u>			<u>FWL</u>	
Sec: <u>7</u>	Twp: <u>5N</u>	Rng: <u>61W</u>	Sec: <u>6</u>	Twp: <u>5N</u>	Rng: <u>61W</u>

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: No

The right to construct the Oil and Gas Location is granted by: Surface Use Agreement

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 5: Lots 1,2, 3 and 4, S/2 NW/4, SE/4 NE/4, S/2
Section 6: SE/4 SW/4, SW/4 SE/4, NE/4 SW/4, NW/4 SE/4, SE/4 SE/4
Section 7: Lots 3,4, SE/4 SW/4, E/2 NW/4, E/2

Total Acres in Described Lease: 1317 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: 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: 421 Feet

Above Ground Utility: 401 Feet

Railroad: 5280 Feet

Property Line: 428 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 proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 315 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

Proposed Spacing Unit: 5N-61W-6: W2 AND 5N-61W-7: W2, 634.81 acres more or less

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		634	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 15827 Feet

Distance from proposed wellbore to nearest existing or permitted wellbore belonging to another operator:

648 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? _____ (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: Commercial Disposal

Other Disposal Description:

Beneficial reuse or land application plan submitted? _____

Reuse Facility ID: _____ 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	1450	1078	1450	0
1ST	8+3/4	7	26	0	6587	699	6587	1350
1ST LINER	6+1/8	4+1/2	11.6	5362	15827			

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 Nearest wellbore: Pronghorn F-11-6-7XRLNC, API 05-123-41825.
Nearest wellbore belonging to another operator: Bohlmeier 1, API 05-123-07388.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 436197

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: Julie L. Vigil

Title: Sr. Regulatory Specialist Date: 5/12/2016 Email: jvigil@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: 7/20/2016

Expiration Date: 07/19/2018

API NUMBER
05 123 43379 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 (Spud Notice), for the first well/activity on the pad and provide 48 hour spud notice for all subsequent wells drilled on the pad. 2) Comply with Rule 317.j and provide cement coverage from the end of 7" casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
	Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test.: 1) Within 60 days of rig release, prior to stimulation. 2) 6 months after rig release, prior to stimulation. 3) Within 30 days of first production, as reported on Form 5A.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	Operator shall submit a Form 42 to the COGCC 48 hours prior to commencement of construction activities.
2	Drilling/Completion Operations	One of the first wells drilled on the pad will be logged with open hole Resistivity Log and Gamma Ray Log from the kick-off point into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without open-hole logs shall clearly state "No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.
3	Drilling/Completion Operations	Bradenhead Monitoring: Operator will comply with COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 3 comment(s)

Applicable Policies and Notices to Operators

Policy
Notice Concerning Operating Requirements for Wildlife Protection. http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Attachment Check List

Att Doc Num	Name
401009514	FORM 2 RESUBMITTED
401045813	FORM 2 SUBMITTED
401045814	FORM 2 REJECTED
401046016	SURFACE AGRMT/SURETY
401046017	WELL LOCATION PLAT
401046021	EXCEPTION LOC REQUEST
401046022	EXCEPTION LOC WAIVERS
401046023	PROPOSED SPACING UNIT
401046024	WELLBORE DIAGRAM
401046025	DEVIATED DRILLING PLAN
401046028	DIRECTIONAL DATA
401046030	OffsetWellEvaluations Data
401046033	FORM 2 SUBMITTED

Total Attach: 13 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Complete.	7/11/2016 9:33:51 AM
Permit	Oper. revised distance to property line. Well location plat cites incorrect distance. Operator confirmed SO is not MO beneath location.	7/8/2016 9:49:42 AM
Permit	Passes completeness.	5/13/2016 9:15:03 AM
Permit	This APD is being rejected per the Rejection Process criteria that a pad of Form 2's requiring a total of four or more attachments to be added will be rejected. This pad requires a missing SUA and revised well location plat to be attached to a total of 6 APD's. Operator and COGCC staff have been consulted. Please note that changes to lease description, surface owner & mineral owner information, and property line distance are also required.	5/12/2016 8:51:22 AM
Engineer	Offset Wells Evaluated.	4/21/2016 11:13:03 AM
Permit	Passes completeness.	4/16/2016 1:49:40 PM

Total: 6 comment(s)