

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:

400821030

Date Received:

05/03/2016

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Well Name: North Platte Federal

Well Number: 31-34-22HNB

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: NWNE Sec: 22 Twp: 5N Rng: 63W Meridian: 6

Latitude: 40.391090

Longitude: -104.421360

Footage at Surface: 373 feet FNL/FSL FNL 2404 feet FEL/FWL FEL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4647

County: WELD

GPS Data:

Date of Measurement: 08/10/2015 PDOP Reading: 1.9 Instrument Operator's Name: CHASE MILLER

If well is ☐ Directional ☒ Horizontal (highly deviated) submit deviated drilling plan.

Footage at Top of Prod Zone: FNL/FSL FNL/FWL Bottom Hole: FNL/FSL FEL/FWL
531 FNL 1950 FEL 470 FSL 1950 FEL
Sec: 22 Twp: 5N Rng: 63W Sec: 22 Twp: 5N Rng: 63W

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: 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.)

All, Section 22, 5N-63W.

Total Acres in Described Lease: 640 Described Mineral Lease is: ☐ Fee ☐ State ☒ Federal ☐ Indian

Federal or State Lease # COC63737

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

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 4061 Feet
Building Unit: 4061 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 5280 Feet
Above Ground Utility: 3872 Feet
Railroad: 5280 Feet
Property Line: 373 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: 51 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

W/2E/2 Section 22, T5N-R63W.

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: 11087 Feet

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:

Enter distance if less than or equal to 1,500 feet: 1015 feet ☐ No well belonging to another operator within 1,500 feet

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: Commercial Disposal

Other Disposal Description:

Beneficial reuse or land application plan submitted? Yes

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	1440	1071	1440	0
1ST	8+3/4	7	26	0	6856	749	6856	1340
1ST LINER	6+1/8	4+1/2	11.6	6006	11087			

☒ 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: Perkins 34-22, API 05-123-22034.
Nearest wellbore belonging to another operator: NGL 123-41203

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

Location ID: 433629

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: 5/3/2016 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: 8/22/2016

Expiration Date: 08/21/2018

API NUMBER

05 123 43499 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.

COA Type

Description

	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.
	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.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Operator shall submit a Form 42 to the COGCC 48 hours prior to commencement of construction activities.
2	Drilling/Completion Operations	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 API#123-22030, Perkins 21-22, the well in which open-hole logs were run on this pad.
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

<u>Att Doc Num</u>	<u>Name</u>
400821030	FORM 2 RESUBMITTED
401039920	FORM 2 SUBMITTED
401039921	FORM 2 REJECTED
401040672	OPEN HOLE LOGGING EXCEPTION
401040673	WELL LOCATION PLAT
401040674	SURFACE AGRMT/SURETY
401040675	WASTE MANAGEMENT PLAN
401040676	PROPOSED SPACING UNIT
401040677	EXCEPTION LOC REQUEST
401040678	EXCEPTION LOC WAIVERS
401040679	DEVIATED DRILLING PLAN
401040680	WELLBORE DIAGRAM
401040681	OffsetWellEvaluations Data
401040682	DIRECTIONAL DATA
401040683	FORM 2 SUBMITTED

Total Attach: 15 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Complete. Oper. changed back to water based mud. Oper. corrected distance to nearest producing well to 51'.	8/22/2016 12:48:45 PM
Permit	Still waiting on 2A approval. Req'd distance to nearest well completed.	8/13/2016 2:09:21 PM
Permit	Oper. revised distances to nearest well producing to 207', API 123-22034 and nearest well penetrated belonging to another operator to 1015', API 123-41203.	6/14/2016 9:40:18 AM
Permit	Req'd revised distances to nearest well permitted and drilled.	6/13/2016 10:17:36 AM
Permit	Passed completeness.	5/5/2016 3:37:43 PM
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 corrected well location plat to be attached to a total of 5 APD's as well as corrected distances to building unit. Operator and COGCC staff have been consulted.	5/2/2016 3:57:27 PM
Permit	Operator submitted open hole logging exception request and revised logging BMP.	4/9/2016 3:01:34 PM
Permit	Operator revised cuttings disposal to OFFSITE/commercial disposal and checked NO for beneficial reuse plan.	3/26/2016 4:38:11 PM
Permit	Oper. corrected distance to nearest well permitted/completed (North Platte Federal K31-034-22HNC) to 150' from 238'.	3/18/2016 9:26:52 AM
Permit	Req'd revised distance to nearest well permitted in NBRR.	3/6/2016 3:38:45 PM
Engineer	Offset Wells Evaluated	1/19/2016 3:07:09 PM
Permit	Passed completeness.	12/18/2015 1:28:32 PM

Total: 12 comment(s)