

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 _____ ZONE TYPE SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONES <input type="checkbox"/> COMMINGLE ZONES <input type="checkbox"/>	Refiling <input checked="" type="checkbox"/> Sidetrack <input type="checkbox"/>
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Date Received:
04/06/2018

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: Brian Dodek Phone: (720)2256653 Fax: ()

Email: bdodek@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: <u>428</u> Feet	FNL/FSL	FEL/FWL
<u>FNL</u> <u>1425</u> Feet	<u>FNL</u>	<u>FWL</u>

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: <u>460</u> FSL	FNL/FSL	FEL/FWL	Bottom Hole: <u>470</u> FNL	FEL/FWL
<u>1320</u> FWL	<u>1320</u> FWL	<u>1320</u> FWL	<u>1320</u> FWL	<u>1320</u> FWL
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: 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.)

Township 5 North, Range 61 West, 6th P.M.
Section 5: Lots 1, 2, 3, and 4. SENE, S2NW, S2
Section 6: SWSE, SESW, SESE
Section 7: Lots 3, & 4, NE, E2NW, SESW, SE
Section 17: W2, SE
Section 18: ALL

Total Acres in Described Lease: 2352 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: 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: 552 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

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

SPACING & FORMATIONS COMMENTS

Proposed Spacing Unit:
Township 5N, Range 61W (Weld County):
Section 6: W2
Section 7: W2

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		635	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 16020 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: 675 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? Yes

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	1600	743	1600	0
1ST	8+1/2	5+1/2	17	0	16020	2595	16020	0

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 No changes have been made to the mineral lease from which this well is producing, however, the mineral lease description has been updated to reflect the full description of the lease.

The proposed well site (Location ID: 436197) was built in 2014 and has (2) producing wells on location. No drilling is currently taking place on the well site.

The planned TPZ and BHL targets have been shifted slightly. No changes have been made to the SHL. New targets are shown on updated WLC.

The Pronghorn 14-11-7HZ [API #: 123-34807], operated by Bonanza Creek Energy, is the nearest well in the same formation, the distance was measured in 2D. The well status is currently PR.

The nearest wellbore belonging to another operator was measured to the Bohlmeier #1 [API #: 123-07388], operated by Davis Oil Company. The distance was measured in 2D. The well status is PA.

This application is in a Comprehensive Drilling Plan No 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: Ariana Solis

Title: Regulatory Analyst Date: 4/6/2018 Email: asolis@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: 7/14/2018

Expiration Date: 07/13/2020

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>
	Operator shall comply with Notice to Operators: Interim Reclamation Procedures for Delayed Operations (dated January 5, 2017).
	<p>1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (spud notice) for the first well activity with a rig on the pad and provide 48 hour spud notice via Form 42 for all subsequent wells drilled on the pad.</p> <p>2) Provide cement coverage to a minimum of 200' above Niobrara. Verify coverage with cement bond log.</p> <p>3) Oil-based drilling fluid is to be used only after setting surface casing.</p> <p>Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test.:</p> <p>1) All: Within 60 days of rig release, prior to stimulation.</p> <p>2) Delayed completion: 6 months after rig release, prior to stimulation.</p> <p>3) All: Within 30 days of first production, as reported on Form 5A.</p>
	<p>COA's</p> <p>Operator acknowledges the proximity of the listed offset well(s). Operator agrees to comply with the DJ Basin Horizontal Offset Policy to mitigate the situation, ensure all applicable documentation is submitted based on the selected mitigation option chosen, submit Form 42(s) ("OFFSET MITIGATION COMPLETED") for the mitigated well(s), stating that appropriate mitigation was completed prior to the hydraulic stimulation of this well.</p> <p>Offset wells to mitigate: 05-123-07388, BOHLMeyer 1</p>

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	<p>Rule 317.p Requirement to Log a Well [Pad has satisfied Open Hole Logging Requirements]</p> <p>An existing well on the pad was logged with open-hole resistivity log with gamma-ray, from the kick-off point into the surface casing. All wells on the pad will have a cement bond log (CBL) 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 the type of log and the well (by API#) in which open-hole logs were run.</p>
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.
http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Attachment Check List

Att Doc Num	Name
401550355	FORM 2 SUBMITTED
401590963	DIRECTIONAL DATA
401591514	WELL LOCATION PLAT
401599351	OffsetWellEvaluations Data
401611251	DEVIATED DRILLING PLAN
401703227	OFFSET WELL EVALUATION

Total Attach: 6 Files

General Comments

User Group	Comment	Comment Date
Permit	Open Hole Logging BMP submitted by operator. With operator concurrence changed will minerals be developed to yes. Permitting Review Complete. Final Review Completed.	07/12/2018
Engineer	Evaluated existing wells within 1500' of proposed directional.	07/05/2018
Permit	Passed completeness.	04/26/2018
Permit	Returned to draft for: Deviated Drilling Plan attachment does not open.	04/17/2018

Total: 4 comment(s)