

FORM
2

Rev
08/19

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:

402147956

Date Received:

08/20/2019

APPLICATION FOR PERMIT TO:

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

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER: Unplanned Sidetrack

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☒

Well Name: Latham

Well Number: P-T-14HNC

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: Kate Miller

Phone: (720)440-6116

Fax: ()

Email: regulatory@bonanzacrk.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20120018

WELL LOCATION INFORMATION

QtrQtr: NENE Sec: 14 Twp: 4N Rng: 63W Meridian: 6

Latitude: 40.319010

Longitude: -104.397490

Footage at Surface: 359 Feet FNL 453 Feet FEL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4603

County: WELD

GPS Data:

Date of Measurement: 09/21/2018 PDOP Reading: 1.6 Instrument Operator's Name: Casey Kohout

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

Footage at Top of Prod Zone: 260 FNL 1285 FEL 470 FSL 1278 FEL

Sec: 14 Twp: 4N Rng: 63W Sec: 14 Twp: 4N Rng: 63W

LOCAL GOVERNMENT INFORMATION

County: WELD

Municipality:

Per § 34-60-106 (1)(f)(I)(A), the following questions pertain to the "local government with jurisdiction to approve the siting of the proposed oil and gas location."

The local government with jurisdiction is: County

Does the local government with jurisdiction regulate the siting of Oil and Gas Locations, with respect to this COGCC application? If the local government has waived its right to precede the COGCC in siting determination, indicate by selecting "NO" here and selecting "Waived" below.

☒ Yes ☐ No

If yes, in checking this box, I hereby certify that an application has been filed with the local government with jurisdiction to approve the siting of the proposed oil and gas location. ☒

The local government siting permit type is: WOGLA

The local government siting permit was filed on: 03/27/2019

The disposition of the application filed with the local government is: Approved

Additional explanation of local process:

WOGLA approved 3/27/2019

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.)

T4N, R63W, Section 14: S2

Total Acres in Described Lease: 320 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: 663 Feet

Above Ground Utility: 742 Feet

Railroad: 5280 Feet

Property Line: 359 Feet

School Facility: 5280 Feet

School Property Line: 5280 Feet

Child Care Center: 5280 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, Designated Outside Activity Area, School Facility, and Child Care Center – 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: 339 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:
Township 4N, Range 63W (Weld County):
Section 14: E2
Section 11: S2SE

If this Form 2 is associated with a Drilling and Spacing Unit application, provide docket number: _____

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
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NIOBRARA	NBRR		400	GWA
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DRILLING PROGRAM

Proposed Total Measured Depth: 11414 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: 198 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	1616	520	1616	0
1ST	8+1/2	5+1/2	20	0	11414	1655	11414	

☒ 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 Form 2 is being submitted for an unplanned sidetrack of the Latham P-T-14HNC.

Below is the description of events and approved procedure for this sidetrack:

- i. While drilling vertical section, drilling rig lost power and the drill pipe became stuck. After failing to work the drill string free, the drill pipe was cut above the drilling BHA. The attempts to retrieve the fish have been unsuccessful.
- ii. Total measured depth reached in the wellbore being plugged back: 4,509' MD
- iii. Casing set – size(s) and measured depth(s): 9-5/8" surface casing set at 1,616' MD. No other casing set.
- iv. Description of fish in the hole (if any) – including top and bottom measured depths: Fish is approximately 364' long and consists of the drill bit, directional drilling tools and motor, a jarring assembly, and 180' of drill pipe. The top is at 4,135' MD and the bottom is at 4,499' MD.
- v. Description of proposed plugs: setting measured depths, heights, and cement volumes: 500' cement plug, set from set from 4,130' MD – 3,630' MD. 40.6 BBLs Class G cement, 17.0 ppg slurry, 0.9912 cu ft/sk yield. 30 BBLs of 11.0 ppg Spacer
- vi. Type of cement to be used for all plugs, including slurry weight (ppg) and yield (cf/sk): 40.6 BBLs Class G cement; 17.0 ppg slurry; 0.9912 cu ft/sk; 30 BBLs of 11.0 ppg Spacer
- vii. Measured depth of proposed sidetrack kick-off point: 3,874' MD
- viii. Proposed objective formation(s) for sidetrack hole: Same target formation, Niobrara C.
- ix. BHL target for sidetrack hole: Same BHL target as original wellbore. (470 FSL 1278 FEL Section 14 T4N R63W).
- x. Verbal approval to plug back and sidetrack granted by Diana Burn on 8/19/2019. Please find attached correspondence.

Exception Location Waiver submitted previously with original -00 Form 2 (Form 2 Doc# 401810579).

The Latham P41-T44-14HNB (Doc# 401810577), operated by Bonanza Creek Energy, is the nearest well in the same formation, the distance was measured in 2D. This nearest well is on the same pad as the subject sidetrack.

The nearest wellbore belonging to another operator was measured to the 70 Ranch 10-11-12 [API #:05-123-45334], operated by Confluence DJ LLC. The distance was measured in 2D. The well status is currently XX. Distance reported on original approved Form 2 (Doc # 401810579) was incorrectly measured from TPZ of Bonanza well to the BHL N/S footage of the nearest Confluence well. Distance reported on this form is correct and was measured from furthest north point of Bonanza's planned sidetrack to the BHL N/S footage of the Confluence well.

No wells owned by other operators are Producing, Temporarily Abandoned, or Shut-In within 150' of this wells productive lateral, therefore stimulation setback consent is not needed.

Surface String casing set depth and sacks of cement are actual values.

This application is in a Comprehensive Drilling Plan No CDP #: _____

Location ID: 437416

Is this application being submitted with an Oil and Gas Location Assessment application? No

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

Signed: _____ Print Name: Ashley Noonan

Title: Sr. Regulatory Analyst Date: 8/20/2019 Email: regulatory@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, applicable orders, and SB 19-181 and is hereby approved.

COGCC Approved:  Director of COGCC Date: 8/24/2019

Expiration Date: 08/23/2021

API NUMBER

05 123 49902 01

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

Best Management Practices

No BMP/COA Type

Description

1	Drilling/Completion Operations	Prior to drilling operations, Bonanza Creek 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 well path with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottom hole 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.
2	Drilling/Completion Operations	Bonanza Creek will comply with the "COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area", dated May 29, 2012
3	Drilling/Completion Operations	Alternative Logging Program: 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 to 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 measuredwhile- 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 openhole logs shall clearly state "Alternative Logging Program - No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which openhole logs were run.

Total: 3 comment(s)

Attachment Check List

Att Doc Num

Name

402147956	FORM 2 SUBMITTED
402148799	CORRESPONDENCE
402148803	DEVIATED DRILLING PLAN
402150378	WELLBORE DIAGRAM
402150743	OffsetWellEvaluations Data
402150744	OffsetWellEvaluations Data
402150745	DIRECTIONAL DATA
402154731	OFFSET WELL EVALUATION

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Permitting Review Complete. Final Review Completed.	08/22/2019
Permit	Passed completeness.	08/22/2019
Permit	Local government siting, LGD comment, and public comment do not pertain to this application for an unplanned sidetrack wellbore with drilling in progress.	08/22/2019

Total: 3 comment(s)