

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter Recomplete and Operate

Date Received:

TYPE OF WELL OIL GAS COALBED OTHER: Unplanned Sidetrack Refiling

ZONE TYPE SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES Sidetrack

Well Name: Latham Well Number: U41-1-12XRLNB

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@bonanzacr.com

RECLAMATION FINANCIAL ASSURANCE
Plugging and Abandonment Bond Surety ID: 20120018

WELL LOCATION INFORMATION

QtrQtr: SESE Sec: 36 Twp: 5N Rng: 63W Meridian: 6

Latitude: 40.350036 Longitude: -104.378243

Footage at Surface: 348 Feet FNL/FSL FSL 732 Feet FEL/FWL FEL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 4551.4 County: WELD

GPS Data:
Date of Measurement: 07/28/2018 PDOP Reading: 1.9 Instrument Operator's Name: Ryan Williams

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

10 FNL 480 FEL 260 FSL 470 FEL

Sec: 1 Twp: 4N Rng: 63W Sec: 12 Twp: 4N Rng: 63W

LOCAL GOVERNMENT INFORMATION

County: WELD Municipality: N/A

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: 03/13/2019

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

Additional explanation of local process:

WOGLA was filed on 1/23/19 and was approved on 3/13/2019

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: 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.)

T5N-R63W Sec. 36 N2, N2SW, SESW, SE, and other lands

Total Acres in Described Lease: 606 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # 2148.12

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: 5280 Feet

Above Ground Utility: 5280 Feet

Railroad: 5280 Feet

Property Line: 348 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: 40 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

Wellbore Spacing Unit:
5N-63W-36: S2SE
4N-63W-1: E2E2
4N-63W-12: E2E2
4N-63W-13: NENE

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		440	GWA
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DRILLING PROGRAM

Proposed Total Measured Depth: 17094 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: 940 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: Commercial Disposal

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	1637	530	1637	0
1ST	8+1/2	5+1/2	17	0	17094	2595	17094	

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 U41-1-12XRLNB.

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

- a. Explanation of the situation that has resulted in the need to sidetrack: While drilling the lateral section we had a RSS tool failure when we retrieved tools to surface we were missing the bottom "bit box" of the RSS tool and the bit.
- b. Total measured depth reached in the original wellbore: 14,997' MD
- c. Casing set – size(s) and measured depth(s): 9-5/8" surface casing set at 1,627' MD. No other casing set.
- d. Description of fish in the hole (if any) – including top and bottom measured depths: Fish is approximately 24" long and consists of the bit box from the RSS and the drill bit. Top of fish is at 14,873 bottom of fish at 14,997' MD.
- e. Description of proposed plugs: setting measured depths, heights, and cement volumes: No Plugs, open hole sidetrack
- f. Type of cement to be used for all plugs, including slurry weight (ppg) and yield (cf/sk): No Plugs, open hole sidetrack
- g. Measured depth of proposed sidetrack kick-off point: 14,359' MD
- h. Proposed objective formation(s) for sidetrack hole: Same target formation, Niobrara B.
- i. BHL target for sidetrack hole: Same BHL target as original wellbore.

Verbal approval was received in the form of an email from Diana Burn on 10/7/2019. (attached)

Exception Location Waiver submitted previously with original -00 Form 2 (Form 2 Doc# 401836580).

The Latham 41-4 (API #: 123-35856), operated by Bonanza Creek (8960), is the nearest well in the same formation, the distance was calculated in 2D. The well status is currently PR.

The nearest wellbore belonging to another operator was measured to the Middlepark #18-6-4L [API #: 05-123-47442], operated by CONFLUENCE DJ LLC (10518). The distance was calculated in 2D from the scout card. The well status is currently XX.

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 from vendor post job report.

Bonanza Creek has provided an updated Deviated Drill Plan (attached and data uploaded).

Best Management Practices

No	BMP/COA Type	Description
1	Drilling/Completion Operations	Drill stem tests (Rule 604.c.(2)L) Conventional drill stem tests will not be conducted on DJ Basin horizontal wells currently being executed or planned by Bonanza Creek. If plans change in the future a well specific drill stem testing plan will be prepared for that particular well. Note that Bonanza Creek may elect to use one of several available wireline deployed tools for the purpose of measuring down hole formation pressures and/or collecting down hole fluid samples from the target formation(s) of a particular well.
2	Drilling/Completion Operations	Identification of P&A wells (Rule 604.c.(2)U) Bonanza Creek shall identify the location of the P&A wellbore with a permanent monument as specified in Rule 319.a.(5). The operator shall also inscribe or imbed the well number and date of plugging upon the permanent monument. P&A wellbores shall be cutoff well below ground surface in agricultural areas to provide for landowners to safely farm the reclaimed well area.
3	Drilling/Completion Operations	Wellbore Collision Prevention – Rule 317.r Drilling & Completions 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.
4	Drilling/Completion Operations	BOPE for well servicing (Rule 604.c.(2)J Drilling & Completions) A BOPE with a minimum pressure rating of 3,000 psi will be utilized. At a minimum it will consist of 2 ram preventers and 1 annular preventer. The blind rams will be positioned below the pipe rams. A backup system of pressure control will be onsite consisting of at a minimum 1,000 psi accumulator (backup pressure). Accumulator is tested to 1,000 psi. Operator may use fixed sized pipe rams matching the tubular size. The annular preventer will be pressure tested to 250 psi low and 2,000 psi high for 10 minutes each. The ram preventers will be tested to 250 psi low and 2,500 psi high for 10 minutes each. All remaining well control equipment will be tested to 250 psi low and 2,500 psi high for 10 minutes each. The pressure tests will be conducted when the equipment is first installed and every 30 days thereafter. Pipe rams and blind rams will be function tested before every well service operation. Annual BOP inspections and pressure tests will be performed by the service company and will be charted & retained for 1 year. Backup stabbing valves shall be used on operations that require reverse circulation. Valves will be pressure tested before each well service operation in low pressure and high pressure range. The Bonanza Creek onsite representative will be certified in Well Control Operations by a Well-Cap certified training service.
5	Drilling/Completion Operations	Bradenhead Monitoring Drilling & Completions Bonanza Creek will comply with the “COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area”, dated May 29, 2012
6	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: 6 comment(s)

Attachment Check List

Att Doc Num	Name
402201074	CORRESPONDENCE

402201536	DEVIATED DRILLING PLAN
402201547	DIRECTIONAL DATA
402201556	OffsetWellEvaluations Data
402202136	WELLBORE DIAGRAM

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
		Stamp Upon Approval

Total: 0 comment(s)



Public Comments

No public comments were received on this application during the comment period.

