

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION OF)	
BONANZA CREEK ENERGY OPERATING)	
COMPANY LLC FOR AN ORDER CONFIRMING)	
A WELLBORE SPACING UNIT AND POOLING)	CAUSE NO. 407
ALL NON-CONSENTING OWNERS OF CERTAIN)	
LANDS IN THE WATTENBERG FIELD AREA,)	DOCKET NO. 1208-UP-205
WELD COUNTY, COLORADO)	

AMENDED APPLICATION

COMES NOW, Bonanza Creek Energy Operating Company LLC ("Applicant"), by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, and submits its **Amended** Application to the Oil and Gas Conservation Commission of the State of Colorado, for an order confirming a **designated** wellbore drilling and spacing unit for horizontal wells to the Niobrara formation, and pooling all non-consenting owners therein, in certain lands in the Wattenberg Field Area, Weld County, Colorado, and in support of its application states as follows.

1. Applicant is duly organized and authorized to conduct business in the State of Colorado.
2. Applicant owns leasehold interests in the following described lands in Weld County, Colorado, containing approximately 320-acres (hereinafter, the "Application Lands"):

Township 5 North, Range 63 West, 6th P.M.
Section 24: W1/2

3. Pursuant to Commission Order 1-122, the NW/4 and SW/4 of Section 24 were established as 160-acre drilling and spacing units for production from the Codell, Niobrara, J-Sand and Dakota Formations, and all non-consenting interests were pooled in such units. Applicant has drilled vertical wells in the Application Lands which are paying on production from one or more of such formations, based on the 160-acre spacing units established by Order 1-122.
4. Commission Rule 318A(I)(a)(4)(D) provides that where a drilling and spacing unit does not exist for a horizontal well, the operator shall designate a horizontal wellbore spacing unit for each such well consisting of each quarter-quarter section which is penetrated by or is less than 460 feet from of the horizontal wellbore.
5. Applicant desires to drill, or is in the process of drilling the North Platte 24-21-24HZ well on the Application Lands, and pursuant to said Rule, has designated the Application Lands as an approximately 320-acre wellbore drilling and spacing unit for said horizontal well, for production of oil, gas and associated hydrocarbons from the Niobrara Formation.

6. To promote efficient drainage of the Niobrara Formation in the Application Lands, to protect correlative rights and avoid waste, the Commission should confirm the designated **horizontal** wellbore drilling and spacing unit of approximately 320 acres, consisting of the Application Lands.

7. A drilling and spacing unit of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by a single horizontal well to the Niobrara Formation in the proposed drilling and spacing unit.

8. **The confirmed wellbore drilling and spacing unit and well location rules established in the requested order would be applicable to the drilling of horizontal wells only, with vertical and directional wells in the Niobrara formation remaining subject to Commission Order 1-122.**

9. At least 30 days prior to the hearing on this application, the Applicant will have sent all owners listed on **Exhibit A**, who have not previously consented to lease or otherwise participate in the North Platte 24-21-24HZ well, an Authority for Expenditures (AFE) containing all information required under Commission Rule 530.b., and in case of unleased mineral owners, an offer to lease which is reasonable, based on the factors listed in Commission Rule 530.c.

10. Applicant anticipates that one or more of such owners will refuse or fail to respond to such offer to participate in the drilling, completion and operation of such well, and shall be deemed non-consenting parties under Commission Rule 530.b and c.

11. An order of the Commission pooling all non-consenting interests in an approximately 320 acre unit composed of the Application Lands shall therefore be necessary in order to afford each owner of an interest in such unit the opportunity to recover and receive its just and equitable share of the oil and/or gas from the common source of supply underlying said unit.

12. The granting of the requested order would not be prejudicial to the owners in the unit and would protect correlative rights.

13. The requested pooling order should be effective as of the date of this **Amended** Application, or the date that costs specified by C.R.S. §34-60-116(7)(b) are first incurred by Applicant for the drilling of the North Platte 24-21-24HZ well, whichever is first in time.

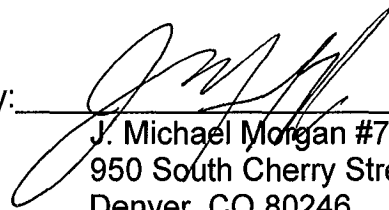
14. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth on **Exhibit A** attached hereto and made a part hereof.

WHEREFORE, Applicant, Bonanza Creek Energy Operating Company LLC, respectfully requests that this matter be set for hearing in August 20 or 21, 2012, that notice be given as required by law and upon such hearing this Commission enter its order confirming the 320-acre **designated horizontal** wellbore spacing unit for oil, gas and associated hydrocarbons from the Niobrara Formation consisting of the Application Lands for the North Platte 24-21-24HZ well and pooling all non-consenting interests in said unit for production from **horizontal wells** to the Niobrara Formation, under such terms as are fair, reasonable and required by law.

Dated: July 26, 2012.

LOHF SHAIMAN JACOBS HYMAN & FEIGER PC

By: _____



J. Michael Morgan #7279
950 South Cherry Street, Suite 900
Denver, CO 80246
(303) 753-9000; (303) 753-9997 (fax)
mmorgan@lohfsheiman.com

Applicant's Address:

Bonanza Creek Energy Operating Company LLC
410 17th Street, Suite 1500
Denver, CO 80202

EXHIBIT "A"

TO AMENDED APPLICATION OF BONANZA CREEK ENERGY OPERATING COMPANY LLC

Applicant: Bonanza Creek Energy Operating Company LLC
410 17th Street, Suite 1500
Denver, CO 80202

Applicant's Attorney: J. Michael Morgan, Esq.
Lohf Shaiman Jacobs Hyman & Feiger PC
950 South Cherry Street, Suite 900
Denver, CO 80246

Local Government Designee: Bruce T. Barker, Esq.
Weld County Commissioner Office
P.O. Box 758
Greeley, CO 80634

Other Interested Parties: Rex Monahan Family Trust, dtd 1/16/79
Restated & Amended on 3/1/05
Doris L. Monahan, Trustee
P.O. Box 1231
Sterling, CO 80751

The Prospect Company
P.O. Box 1100
Edmond, OK 73083

Lewis Lee Allard
269 Garfield Street
Walden, CO 80430

70 Ranch L.L.C.
8301 E. Prentice Ave., #100
Greenwood Village, CO 80111

Marc Lawrence Allard
5516 East County Road 66
Wellington, CO 80540

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION OF)
BONANZA CREEK ENERGY OPERATING)
COMPANY LLC FOR AN ORDER CONFIRMING)
A **WELLBORE** SPACING UNIT AND POOLING)
ALL NON-CONSENTING OWNERS OF CERTAIN)
LANDS IN THE WATTENBERG FIELD AREA,)
WELD COUNTY, COLORADO)

CAUSE NO. 407

DOCKET NO. 1208-UP-205

AFFIDAVIT OF MAILING

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

J. Michael Morgan, of lawful age and being first duly sworn upon his oath, states and declares:

That he is the attorney for Bonanza Creek Energy Operating Company LLC. On **July 26, 2012**, he caused a copy of the attached **Amended** Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on **Exhibit A** to the **Amended** Application.



J. Michael Morgan

Subscribed and sworn to before me this **26th** day of **July**, 2012.

Witness my hand and official seal.
My commission expires: 09/13/2013



Tonja L. Hoisington, Notary Public

