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 THEREIN, IN CERTAIN LANDS IN THE WATTENBERG FIELD AREA, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 1208-UP-206

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 wellbore drilling and spacing unit for the Codell and Niobrara formations, and pooling all nonconsenting owners in such unit, in certain lands in the Wattenberg Field Area, Weld County, Colorado, and in support of its application states as follows.

Applicant is duly organized and authorized to conduct business in the State of 1 Colorado.

2. Applicant owns leasehold interests in the following described lands in Weld County, Colorado, containing approximately 40 acres (hereinafter, the "Application Lands"):

> Township 5 North, Range 63 West, 6th P.M. Section 34: SE1/4NE1/4

Applicant desires to drill or is in the process of drilling the North Platte 42-34 well to 3. the Codell and/or Niobrara Formations on the Application Lands.

On information and belief, the Application Lands are unspaced as to the Codell or 4. Niobrara Formations.

Commission Rule 318A(I)(a)(4)(C) requires that when a well is drilled to an 5. unspaced formation, the operator shall designate a wellbore drilling and spacing unit not smaller than a governmental guarter-section, if the well is proposed to be located greater than four hundred sixty (460) feet from the guarter-guarter section boundary in which it is located. This Rule applies to the Application Lands.

The Applicant has designated the SE/4NE1/4 of said Section 34 as the wellbore 6. drilling and spacing unit for production of the North Platte 42-34 well from the Codell and/or Niobrara Formations.

To promote efficient drainage of the Codell and Niobrara Formations of the 7. Application Lands, to protect correlative rights and avoid waste, the Commission should confirm a **wellbore** drilling and spacing unit of approximately 40-acres, consisting of the S1/2NE1/4 of said Section 34.

8. The proposed **wellbore** drilling and spacing unit will allow efficient drainage of the Codell and Niobrara Formations; will prevent waste; will not adversely affect correlative rights of any owner, and will assure the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the reservoirs.

9. 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 well producing from the Codell and/or Niobrara formations in such drilling and spacing unit.

10. 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 #42-34 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.

11. 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.

12. An order of the Commission pooling all non-consenting interests in an approximately 40 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.

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

14. The requested pooling order should be effective as of the date of this 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 42-34 well, whichever is first in time.

15. 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 above-referenced **wellbore** drilling and spacing unit, and pooling all non-consenting interests in said unit for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, under such terms as are fair, reasonable and required by law.

Dated: July 26, 2012.

LOHF SHAIMAN JACOBS HYMAN & FEIGER PC

By: 3. Michael Morgan #7279 950 South Cherry Street, Suite 900 Denver, CO 80246

950 South Cherry Street, Suite 900 Denver, CO 80246 (303) 753-9000; (303) 753-9997 (fax) <u>mmorgan@lohfshaiman.com</u>

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

<u>Applicant</u> :	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
<u>Other Interested Parties</u> :	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
	P. David Perkins P.O. Box 267 Unionville, MO 63565
	William F. Sullivan & Konnie Jill Sullivan 24607 Cottonwood Lane Kersey, CO 80644
	BAC Home Loans Servicing, LP 400 Countrywide Way SV 35 P.O. Box 10232 Simi Valley, CA 93065-6298

Mr. & Mrs. Jerry L. Cutter 24601 Cottonwood Lane Kersey, CO 80644

Trey D. Moody 24591 Cottonwood Court Kersey, CO 80644 Juan Orta 24593 Cottonwood Court Kersey, CO 9-644

SFR 2010-2REO Corp. 5700 W. Plano Pkwy, Suite 1200 Plano, TX 75093

JP Morgan Chase Bank, NA 10790 Rancho Bernardo Road San Diego, CA 92127

Timothy Rae Kelley & Tracy Leigh Kelley 24603 Cottonwood Lane Kersey, CO 80644

Eralio Rico 24587 Cottonwood Court Kersey, CO 80644

Gary K. DeJohn 1860 23rd Avenue Greeley, CO 80634

GKD LLC 2121 14th Avenue Greeley, CO 80631

Cottonwood Falls HOA 24607 Cottonwood Lane Kersey, CO 80644

Summit Bridge Credit Investments LLC 1700 Lincoln Street, Suite 2150 Denver, CO 80203

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 THEREIN, IN CERTAIN LANDS IN THE WATTENBERG FIELD AREA, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 1208-UP-206

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 Application.

J. Michael Mørgan

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

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



alsington, Notarv