

**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)	CAUSE NO. 407
A DESIGNATED WELLBORE SPACING UNIT)	
AND POOLING ALL NON-CONSENTING)	DOCKET NO. 1208-UP-203
OWNERS THEREIN, IN CERTAIN LANDS IN)	
THE WATTENBERG FIELD AREA, 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** spacing unit for the J-Sand, Codell and Niobrara formations, and pooling all non-consenting owners in such unit, 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 80 acres (hereinafter, the "Application Lands"):

Township 4 North, Range 63 West, 6th P.M.
Section 2: S1/2SW1/4

3. Applicant is in the process of drilling and completing the Latham 14-2, a **vertical** well to the J-Sand, Codell and/or Niobrara Formations on the Application Lands.

4. **By Order 407-538, entered January 23, 2012, the Commission established Section 2 as an approximately 640-acre spacing unit for horizontal wells drilled to the Niobrara Formation, for production of oil, gas and associated hydrocarbons. Order 407-538, does not apply to the drilling of vertical or directional wells, which remain subject to Commission Rule 318A.**

5. On information and belief, the Application Lands are unspaced as to the J-Sand, and Codell Formations, **and are otherwise unspaced as to the Niobrara Formation.**

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

7. Under Rule 318A.a.4.A, the Applicant has designated the S1/2SW1/4 of said Section 2 as the **wellbore** drilling and spacing unit for production of the Latham 14-2 well from the J-Sand, Codell and/or Niobrara Formations.

8. To promote efficient drainage of the J-Sand, Codell and Niobrara Formations of the Application Lands, to protect correlative rights and avoid waste, the Commission should confirm a **designated wellbore** drilling and spacing unit of approximately 80-acres consisting of the S1/2SW1/4 of said Section 2.

9. The designated **wellbore** drilling and spacing unit will allow efficient drainage of the **J Sand**, 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.

10. 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 **J Sand**, Codell and/or Niobrara formations in such drilling and spacing unit.

11. **The Applicant shall pay on production from vertical and directional wells to the J Sand, Codell and/or Niobrara Formation based on the 80-acre unit composed of the S1/2SW1/4 of said Section 2, and on the basis of the 640-acre wellbore unit established by Order 407-538 for all horizontal wells drilled to the Niobrara formation in said Section 2,**

12. 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 Latham 14-2 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.

13. 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.

14. An order of the Commission pooling all non-consenting interests in an approximately **80** 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.

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

16. 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 Latham 14-2 well, whichever is first in time.

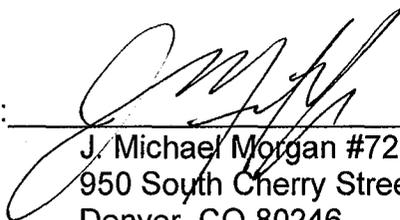
17. The names and addresses of the interested parties according to the information and belief of the Applicant will be set forth in an **Exhibit A**, which will be filed within seven (7) days of the date of this **Amended** Application, as authorized Commission Rule 503(e).

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 **designated wellbore** drilling and spacing unit, and pooling all non-consenting interests in said unit for production of oil, gas and associated hydrocarbons from the J-Sand, 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: _____



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

Doris and Rex Monahan
P.O. Box 1231
Sterling, CO 80751

Ermajeon Bergendahl
1415 44th Avenue
Greeley, CO 80631

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

Shirley J. Unrein and
Nancy E. Coakley, J/T
1142 Westview Drive
Sterling, CO 80751

Bonanza Creek Energy Operating Co. LLC
5601 Truxtan Avenue, Suite 210
Bakersfield, CA 93309

Florence Beck
19240 Weld County Road 50
LaSalle, CO 80645

The TH Ranch, LLC
34558 County Road 50
Kersey, CO 80644-9418

Joyce Elaine Cherry
3164 South Raleigh
Denver, CO 80236

Irene M. Schmidt
19805 Weld County Road 37
LaSalle, CO 80645

Gerald L. Croissant
1323 East Bennett
Glendora, CA 91741

Leona L. Croissant
704 Collingswood Drive
Fort Collins, CO 80524

Marvin E. Hooge
PMB 625
1001 S. 10th Street, Suite G
McAllen, TX 78501

Alvina Croissant
DECEASED

Betty L. Bennett
19664 Tangelo Drive
Riverside, CA 92508

Karen K. Woods
1050 48th Avenue
Greeley, CO 80634

Harold J. Croissant
1311 Norcrest Drive
Highlands Ranch, CO 80126

Dorothy Merritt
P.O. Box 191
Springfield, MO 65801-0191

Charlene J. Woods
2629 East Cameron Avenue
West Covina, CA 91791

Linda Marlene Sly
a/k/a Linda M. Sly
2258 Cedar Lake Drive
Loganville, GA 30052

Eldon Troy Glenn
2158 Marion 6064
Flippin, AR 72634

Coy Raymond Glenn
a/k/a Coy R. Glenn
P.O. Box 845
LaSalle, CO 80645

Delbert L. Hooge
1944 Farm Road 123
Springfield, MO 65807

Lucille Jane Harms
2150 West Rue Street
Fresno, CA 93711

Sharon Koop
4663 North 2nd
Fresno, CA 93726

Virginia Goetz
877 Hummingbird
San Jose, CA 95125

Edwin Croissant
38887 Road 74
Dinuba, CA 93618

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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:

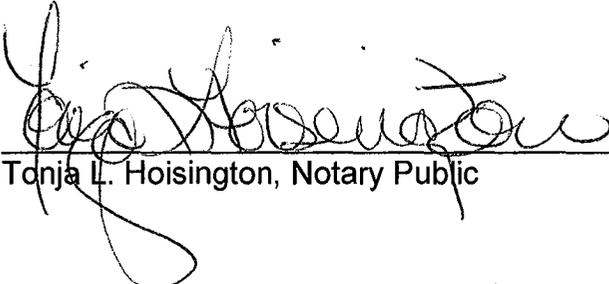
That he is the attorney for Bonanza Creek Energy Operating Company LLC. On **July 26, 2012**, he caused a copy of the attached **Amended** Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on **Exhibit A** to the Application.



J. Michael 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

