

**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)	CAUSE NO. 407
ORDER TO VACATE ORDERS 407-380 AND 407-633)	
AND TO ESTABLISH A 640-ACRE DRILLING AND)	DOCKET NO. 1303-SP-38
SPACING UNIT FOR THE NIOBRARA FORMATION,)	
BOTH AS TO SECTION 17, TOWNSHIP 5 NORTH,)	
RANGE 61 WEST, WATTENBERG FIELD AREA, WELD)	
COUNTY, COLORADO)	

SECOND AMENDED APPLICATION

COMES NOW, Bonanza Creek Energy Operating Company LLC ("Applicant"), by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, and submits it's **second amended** verified application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission"), for an order to **vacate** Orders 407-380 and 407-633 as they relate to Section 17, Township 5 North, Range 61 West, 6th P.M, **and to establish a 640-acre drilling and spacing unit for** the Niobrara Formation for said Section, 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 640-acres (hereinafter, the "Application Lands"):

Township 5 North, Range 61 West, 6th P.M.
Section 17: All

3. On April 27, 1988, the Commission adopted Rule 318A which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all Cretaceous Age Formations from the base of the Dakota Formation to the surface. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A was amended, among other things, to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A was again amended, among other things, to address drilling of horizontal wells. The Application Lands are subject to Rule 318A for the Niobrara Formation.

4. On November 29, 2010, the Commission issued Order 407-380, which, among other things, established the Application Lands as a 640-acre drilling and spacing units for the production of oil and gas from horizontal wells to the Niobrara Formation.

5. On May 29, 2012, the Commission issued Order 407-633, which, among other things, allowed one or more additional horizontal wells to be drilled to the Niobrara Formation in the Application Lands, authorized the location of surface facilities anywhere within the unit or on surrounding lands, required the completed interval of any horizontal well to be no closer than 460-feet from the boundaries of the unit, and the distance between the completed interval of any horizontal well be no closer than one hundred fifty (150) feet from the wellbore of any existing or permitted oil and gas well producing from the same source of supply, and authorized wells to be drilled from no more than two surface pads per governmental half-section, as designated by the operator, with wells on each pad to be drilled at surface locations within 50 feet of an adjacent well, absent a showing of good cause, which shall include surface owner consent.

6. Applicant has drilled and completed the horizontal Pronghorn 31-34-17HZ well on the Application Lands to the Niobrara Formation.

7. Applicant has discovered that **as to the Application Lands** certain interested parties were omitted from the notice lists in the Commission proceedings which led to entry of Orders 407-380 and 407-633. The Commission should **therefore vacate** Orders 407-380 and 407-633 insofar as they apply to the Application Lands.

8. The Commission should also enter a new Order to establish the Application Lands as a 640-acre drilling and spacing unit for the Niobrara Formation effective as of the spud date of the horizontal Pronghorn 31-34-17HZ well, provide that up to ten (10) total horizontal wells may be drilled in said spacing unit to the Niobrara Formation, and further provide that such wells shall be located in accordance with Rule 318A, absent a showing of good cause which shall include surface owner consent.

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

10. Insofar as they relate to the Application lands, an order **to vacate** Orders 407-380 and 407-633, **and establish a 640-acre drilling and spacing unit in the manner set forth above**, will promote efficient drainage of the Niobrara Formation in the Application Lands, would not be prejudicial to the owners in the unit, protect correlative rights and avoid waste.

11. 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 March 25 or 26, 2013, that notice be given as required by law, and upon such hearing this Commission enter its order **to vacate** Orders 407-380 and 407-633 insofar as they apply to the Application Lands, **and to establish a 640-acre drilling and spacing unit for the Niobrara Formation in the Application Lands**, under terms consistent with the above requests which are fair, reasonable and required by law.

Dated: February 20, 2013.

LOHF SHAIMAN JACOBS HYMAN & FEIGER PC

By: _____


J. Michael Morgan #7279

850 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

VERIFICATION

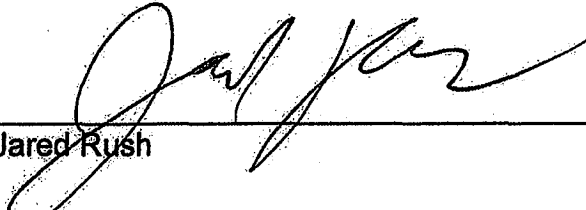
STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

The undersigned, of lawful age, having been first sworn upon his oath, deposes and states that:

1. He is employed as Landman - Rocky Mountain Region, for the Applicant, Bonanza Creek Energy Operating Company LLC, and that he maintains his office at 410 17th Street, Suite 1500, Denver, Colorado 80202.

2. He has read the within Application, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of his knowledge and belief.

Further Affiant sayeth not.

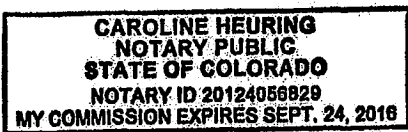


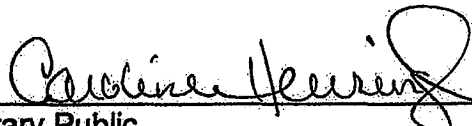
Jared Rush

Subscribed and sworn to before me this 22 day of January, 2013.

Witness my hand and official seal.

My commission expires: 9/24/2016





Notary Public

EXHIBIT "A"

**TO SECOND AMENDED APPLICATION OF
BONANZA CREEK ENERGY OPERATING COMPANY LLC**

Applicant: Bonanza Creek Energy Operating Company LLC
410 17th Street, Suite 1380
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: David Bauer
Weld County
1111 H Street
Greeley, CO 80632

Previously Omitted Parties:

Bill Barrett Corporation
1099 18th Street, Suite 2300
Denver, CO 80202

Anschutz Exploration Company
555 17th Street, Suite 2400
Denver, CO 80202

Celia Greenman
Colorado Division of Wildlife
6060 Broadway
Denver, Colorado 80214

Kent Kuster
Colorado Department of State
Health and Environment
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530

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COUNTY, COLORADO)

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 February 20, 2013, he caused a copy of the attached Second Amended Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on **Exhibit A** attached hereto.



J. Michael Morgan

Subscribed and sworn to before me this 20th day of February, 2013.

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



Tonja L. Hoisington, Notary Public

