

**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 VACATING       )  
ORDER 407-535, WHICH ESTABLISHED A       )  
640-ACRE SPACING UNIT FOR THE NIOBRARA) )  
FORMATION IN SECTION 11, TOWNSHIP 5       )  
NORTH, RANGE 62 WEST, WATTENBERG       )  
FIELD, WELD COUNTY, COLORADO       )

CAUSE NO. 407

DOCKET NO. 1306-SP-\_\_\_\_\_

**VERIFIED APPLICATION**

Bonanza Creek Energy Operating Company LLC ("Bonanza"), by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, respectfully submits its Verified Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission"), for an order to vacate Commission Order 407-535 which established a 640-acre drilling and spacing unit for production of oil, gas and associated hydrocarbons for Section 11, Township 5 North, Range 62 West, Weld County, Colorado, and in support states as follows:

1. Bonanza is a limited liability company duly organized and authorized to conduct business in the State of Colorado.
2. Bonanza owns oil and gas leasehold interests in the following lands in Weld County, Colorado (the "Application Lands"):

Township 5 North, Range 62 West, 6<sup>th</sup> P.M.  
Section 11: All

3. On May 24, 2011, Bonanza drilled the State Antelope #31-11HZ (API #05-123-33487), a horizontal well to the Niobrara Formation, on a 280-acre unit composed of the E/2 less SW/4SE/4 of the Application lands. This was a "lease well" drilled entirely on Bonanza's leasehold with the State of Colorado, acting by and through the Board of Land Commissioners. Since the date of first production, the State Antelope #31-11HZ well has produced and royalties have been paid on production solely to the State of Colorado, as mineral owner under the 280-acre unit declared by Bonanza when it obtained its drilling permit.

4. On October 12, 2011, EOG Resources, Inc, by its attorney, filed an application with the Commission with respect to the Application Lands. The EOG application did not reference the State Antelope #31-11HZ well or the unit on which it was drilled.

5. On January 23, 2012, the Commission issued Order 407-535, which, among other things, established the Application Lands as a 640-acre drilling and spacing unit for production of oil, gas and associated hydrocarbons from the Niobrara Formation, and authorized the drilling of one horizontal well within the unit, with the permitted well to be located no closer than 600 feet from the boundaries of the unit.

6. No additional wells have been drilled on the Application Lands since entry of Order 407-535.

7. Bonanza requests that the Commission enter an order vacating Order 407-535, and upon entry of such order, the Greater Wattenberg Area setbacks of Commission Rule 318A would again apply to the Application Lands.

8. Vacating Order 407-535 and re-establishment of Greater Wattenberg Area setbacks set forth in Commission Rule 318A on the Application Lands, will facilitate the drilling of new horizontal wells on said lands, will promote conservation, ensure accurate production, accounting and efficient operation of the wells. The relief requested in this Verified Application will also prevent waste, protect correlative rights and assure the greatest recovery of oil, gas and associated hydrocarbons from the Application Lands.

9. Bonanza hereby verifies that the names and addresses of the interested parties according the information and belief of Bonanza are set forth in the annexed **Exhibit A**.

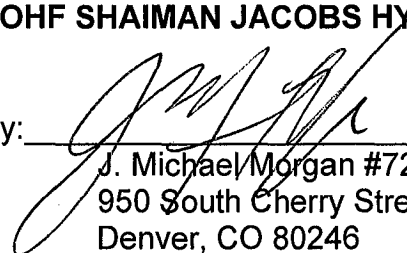
10. The undersigned certifies that copies of this Verified Application shall be served on each interested party within seven (7) days of the filing of this verified application as required by Rule 503.e.

WHEREFORE, Applicant, Bonanza Creek Energy Operating Company LLC, respectfully requests that this matter be set for hearing in June 17 or 18, 2013, notice be given as required by law, and upon such hearing this Commission enter its order vacating Commission Order 407-535 and applying the Greater Wattenberg Area setbacks set forth in Commission Rule 318A to the Application Lands, and for such other findings and orders as the Commission may deem just and advisable consistent with the above requests.

Dated: April 17<sup>th</sup>, 2013.

**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](mailto:mmorgan@lohfshaiman.com)

Applicant's Address:

Bonanza Creek Energy Operating Company LLC  
410 17th Street, Suite 1400  
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 1400, 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.

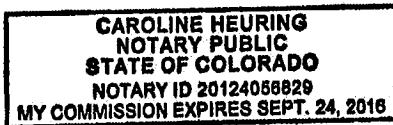
Further Affiant sayeth not.

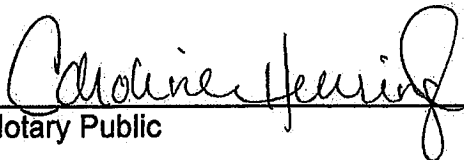
  
\_\_\_\_\_  
Jared Rush

Subscribed and sworn to before me this 17 day of April, 2013.

Witness my hand and official seal.

My commission expires: 9/24/2016



  
\_\_\_\_\_  
Notary Public

**EXHIBIT "A"**

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

**Applicant:** Bonanza Creek Energy Operating Company LLC  
410 17th Street, Suite 1400  
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

**Other Interested Parties:**

Timothy Kelly, Mineral Leasing Manager  
Colorado State Land Board  
1127 Sherman Street, Suite 300  
Denver, CO 80203

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

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

Continental Resources, Inc.  
P.O. Box 1032  
Enid, OK 73702

Bill Barrett Corporation  
1099 18<sup>th</sup> Street, Suite 2300  
Denver, CO 80202

Anschutz Exploration Corporation  
555 17<sup>th</sup> Street, Suite 2400  
Denver, CO 80202

Gene F. Lang, Co.  
19751 E. Mainstreet, Suite 334  
Parker, CO 80138

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**AFFIDAVIT OF MAILING**

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

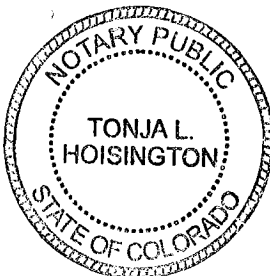
J. Michael Morgan, of lawful age and being first duly sworn upon his oath, states and declares:

17<sup>th</sup> That he is the attorney for Bonanza Creek Energy Operating Company LLC. On April 17<sup>th</sup>, 2013, he caused a copy of the attached 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 17<sup>th</sup> day of April, 2013.

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



  
\_\_\_\_\_  
Tonja L. Hoisington, Notary Public