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 **TO VACATE** ORDERS 407-380 AND 407-633, **AND ESTABLISH** A 640-ACRE DRILLING AND SPACING UNIT FOR THE NIOBRARA FORMATION, **BOTH** AS TO SECTION 6, TOWNSHIP 5 NORTH, RANGE 61 WEST, WATTENBERG FIELD AREA, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 1306-SP-91

AMENDED VERIFIED APPLICATION

COMES NOW, Bonanza Creek Energy Operating Company LLC ("Applicant"), by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, and submits it's **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 to, and establish a 640-acre spacing unit in, Section 6, Township 5 North, Range 61 West, 6th P.M, for the Niobrara Formation 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 6

3. On April 27, 1988, the Commission adopted Rule 318A, the Greater Wattenberg Well Location Rule ("GWA Rule"), 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. This Rule 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. Section 6, Township 5 North, Range 61 West, 6th P.M. is 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 unit for 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 competed 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 31-34-6HZ well on the Application Lands to the Niobrara Formation.

7. Applicant has discovered that 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 vacate Orders 407-380 and 407-633 insofar as they relate to Application Lands, and enter a new order to establish a 640-acre spacing unit for the Niobrara Formation in the Application Lands.

8. The requested spacing order should provide that (a) up to ten (10) optional horizontal wells may be drilled in the spacing unit to the Niobrara Formation, (b) the competed interval of any horizontal well shall 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.

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 it relates to the Application lands, an order to vacate Orders 407-380 and 407-633, and to establish a 640-acre spacing unit consisting of the Application Lands in the manner set forth above, will promote efficient drainage of the Niobrara Formation, 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 June 17 or 18, 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 spacing unit in the Application lands as requested herein, under terms which are fair, reasonable and required by law.

Dated: May 15, 2013.

LOHF SHAIMAN JACOBS HYMAN & FEIGER PC

By: J. Michael Morgan ##279

Justin M Plaskov #45053 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 1400 Denver, CO 80202

VERIFICATION

STATE OF COLORADO

) ss.

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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 maintains his office at 410 17th Street, Suite 1400, Denver, Colorado 80202.

2. He has read the within Amended Verified 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.

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Jareet Rush

Subscribed and sworn to before me this 15^{4} Witness my hand and official seal.	day of May, 2013. CAROLINE HEURING NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20124056829 MY COMMISSION EXPIRES SEPT. 24, 2016
My commission expires: 9/24/2010	
	Caroline Jeuring

Notary Public

EXHIBIT "A"

TO APPLICATION OF BONANZA CREEK ENERGY OPERATING COMPANY LLC

<u>Applicant</u> :	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:

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

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

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

Celia Greenman Colorado Division of Wildlife 6060 Broadway Denver, CO 80214 EOG Resources, Inc. 600 17th Street, Suite **#1000N** Denver CO 80202

Estate of Don D. Bowman 438 Equitable Building Denver, CO 80202

Estate of Don D. Bowman c/o Arthur S. Bowman, Jr. 1221 S. Clarkson Street, Suite 222 Denver, CO 80210-1627

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IN THE MATTER OF THE APPLICATION OF BONANZA CREEK ENERGY OPERATING COMPANY LLC FOR AN ORDER **TO VACATE** ORDERS 407-380 AND 407-633, **AND ESTABLISH** A 640-ACRE DRILLING AND SPACING UNIT FOR THE NIOBRARA FORMATION, **BOTH** AS TO SECTION 6, TOWNSHIP 5 NORTH, RANGE 61 WEST, WATTENBERG FIELD AREA, WELD COUNTY, COLORADO

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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 May 15, 2013, he caused a copy of the attached Amended Verified Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on **Exhibit A** to said Application.

J. Michael Morga

Subscribed and sworn to before me this 15th day of May, 2013.

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



Tonia sisington, Notary Public