

**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	)	CAUSE NO. 407
ORDERS 407-380 AND 407-633, AND ESTABLISH	)	
A 640-ACRE DRILLING AND SPACING UNIT FOR	)	DOCKET NO. 1309-SP-__
HORIZONTAL WELLS TO THE NIOBRARA	)	
FORMATION, BOTH AS TO SECTION 4,	)	
TOWNSHIP 5 NORTH, RANGE 61 WEST,	)	
WATTENBERG FIELD AREA, WELD	)	
COUNTY, COLORADO	)	

**VERIFIED APPLICATION**

COMES NOW, Bonanza Creek Energy Operating Company LLC ("Applicant"), by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, and submits it's 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 4, Township 5 North, Range 61 West, 6th P.M, for horizontal wells to the Niobrara Formation, 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 4

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 the drilling of horizontal wells. Section 4, Township 5 North, Range 61 West, 6<sup>th</sup> 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 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 such horizontal 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 is completing the horizontal Pronghorn T-P-4HBN 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 therefore 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 horizontal wells to the Niobrara Formation in the Application Lands.

8. The requested spacing order should provide that up to ten (10) optional horizontal wells may be drilled in the spacing unit to the Niobrara Formation.

9. The requested spacing order should further provide that the completed interval of any such 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 shall be no closer than 150 feet from the wellbore of any existing or permitted oil and gas well producing from the same source of supply.

10. 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.

11. Insofar as it relates to the Application lands, an order to vacate Orders 407-380 and 407-633, and to establish a 640-acre drilling and 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.

12. 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 September 16 or 17, 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 for horizontal wells to the Niobrara Formation as requested herein, under terms which are fair, reasonable and required by law.

Dated: July 18, 2013.

**LOHF SHAIMAN JACOBS HYMAN & FEIGER PC**

By: \_\_\_\_\_

  
J. Michael Morgan #7279

Justin M Plaskov #45053

950 South Cherry Street, Suite 900

Denver, CO 80246

(303) 753-9000; (303) 753-9997 (fax)

[mmorgan@lohfsheiman.com](mailto:mmorgan@lohfsheiman.com)

Applicant's Address:

Bonanza Creek Energy Operating Company LLC

410 17th Street, Suite 1400

Denver, CO 80202

VERIFICATION

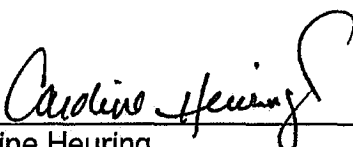
STATE OF COLORADO           )  
  ) ss.  
CITY & COUNTY OF DENVER   )

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

1. She is employed as Land Technician for the Applicant, Bonanza Creek Energy Operating Company LLC, and maintains her office at 410 17th Street, Suite 1400, Denver, Colorado 80202.

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

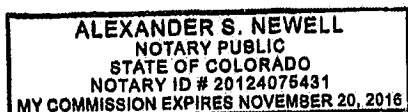
Further Affiant sayeth not.

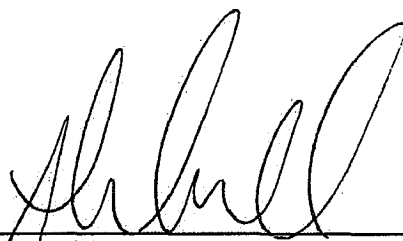
  
\_\_\_\_\_  
Caroline Heuring

Subscribed and sworn to before me this 12<sup>th</sup> day of July, 2013.

Witness my hand and official seal.

My commission expires: 11-20-2016



  
\_\_\_\_\_  
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:**

Kaiser-Francis Oil Company  
6733 South Yale Avenue  
Tulsa OK 74136

Dean F. Foster  
3803 Ruskin Street  
Las Vegas NV 89147

Joan Northrup  
4408 Regal Avenue NE  
Cedar Rapids IA 52402

Robert P. Foster  
8 Anne Pickard Court  
Tijeras NM 87059

Martha Fosmire  
2818 Muscatine Avenue  
Iowa City IA 52240

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

John R. Warren  
745 Smoke Tree Road  
Deerfield IL 60015

Celia Greenman  
Colorado Division of Wildlife  
6060 Broadway  
Denver CO 80214

Laura Blake Warren  
224 1<sup>st</sup> Mesa Drive  
Silt CO 81652

Kristine Jane Skiba  
11223 NW Malia Lane  
Portland OR 97229

Norman A. Foster  
3803 Ruskin Street  
Las Vegas NV 89147

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SECTION 4, TOWNSHIP 5 NORTH, RANGE 61 )  
WEST, WATTENBERG FIELD AREA, WELD )  
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:

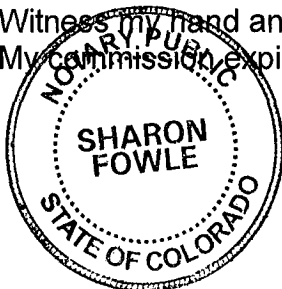
That he is the attorney for Bonanza Creek Energy Operating Company LLC. On July 18, 2013, he caused a copy of the attached Verified Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on **Exhibit A** to said Application.

  
\_\_\_\_\_  
J. Michael Morgan

Subscribed and sworn to before me this 18th day of July, 2013.

Witness my hand and official seal.

My commission expires: 03/05/2015



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