

**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)
A 320-ACRE DRILLING AND SPACING UNIT)
FOR THE STATE ANTELOPE U-Y-32HNB WELL)
AND POOLING ALL INTERESTS THEREIN)
FOR THE NIOBRARA FORMATION IN THE)
E/2E/2 OF SECTION 32, AND W/2W/2 SECTION)
33, TOWNSHIP 5 NORTH RANGE 62 WEST,)
WATTENBERG FIELD AREA, WELD COUNTY,)
COLORADO)

CAUSE NO. 407

DOCKET NO. 1310-UP-_____

VERIFIED APPLICATION

COMES NOW, Bonanza Creek Energy Operating Company LLC ("Applicant"), by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, and submits its verified application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission"), for an order confirming a wellbore drilling and spacing unit for the State Antelope U-Y-32HNB well (API # 05-123- 37227), and pooling all owners therein, for the Niobrara Formation, in certain lands in the Wattenberg Field, 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 320-acres (hereinafter, the "Application Lands"):

Township 5 North, Range 62 West, 6th P.M.

Section 32: E/2E/2

Section 33: W/2W/2

3. Pursuant to Commission Rule 318A.a.4.D, Bonanza has duly designated the Application Lands as an approximate 320-acre wellbore drilling and spacing unit for the horizontal State Antelope U-Y-32HNB well (API #05-123-37227) drilled to the Niobrara Formation in the Application Lands, for production of oil, gas and associated hydrocarbons.

4. Applicant has drilled and is in the process of completing the horizontal State Antelope U-Y-34HNB well on the Application Lands to the Niobrara Formation.

5. To ensure that all interested parties have notice, to promote efficient drainage of the Niobrara Formation in the Application Lands, to protect correlative rights and avoid waste, the Commission should confirm the wellbore drilling and spacing unit of approximately 320 acres, consisting of the Application Land for the State Antelope U-Y-32HNB well.

6. 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 horizontal well to the Niobrara Formation in the proposed drilling and spacing unit.

7. 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 State Antelope U-Y-32HNB well, an Authority for Expenditures ("AFE") containing all information required under Commission Rule 530.b., and if they are an unleased mineral owner a lessee, an offer to lease which is reasonable, based on the factors listed in Commission Rule 530.c.

8. Applicant anticipates that one or more of such owners will refuse or fail to respond to such offer to lease or participate in the drilling, completion and operation of such well, and shall be deemed non-consenting parties under Commission Rule 530.b and c.

9. An order of the Commission pooling all interests in an approximate 320 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.

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

11. The requested pooling order should be effective as of the date of this Application, or the date that costs specified by C.R.S. §34-60-116(7)(b) were first incurred by Applicant for the drilling of the State Antelope U-Y-32HNB well, whichever is first in time.

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, that notice be given as required by law and upon such hearing this Commission enter its order confirming the 320-acre wellbore spacing unit for the State Antelope U-Y-32HNB well, for oil, gas and associated hydrocarbons from the Niobrara Formation consisting of the Application Lands, and pooling all interests in said unit for production from said Formation, under such terms as are fair, reasonable and required by law.

Dated: August ^{7th}27, 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@lohfshaiman.com

Applicant's Address:

Bonanza Creek Energy Operating Company LLC
410 17th Street, Suite 1500
Denver, CO 80202

VERIFICATION

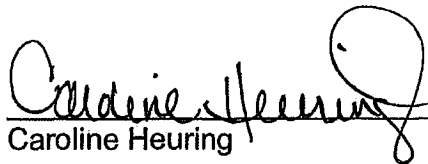
STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

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

1. She is a 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.

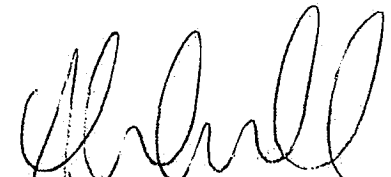


Caroline Heuring

Subscribed and sworn to before me this 27th day of August, 2013.

Witness my hand and official seal.

My commission expires: 11-20-2016



Notary Public

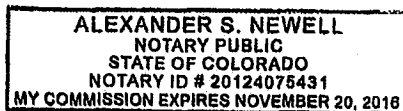


EXHIBIT "A"

TO APPLICATION OF BONANZA CREEK ENERGY OPERATING COMPANY LLC

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

Other Interested Parties:

Bonanza Creek Energy, Inc. 410 17 th Street, Suite 1400 Denver, CO 80202	DJ Resources, LLC 1600 Broadway, Suite 1960 Denver, CO 80202
70 Ranch, LLC 8301 East Prentice Avenue, Suite 100 Greenwood Village, CO 80111	State of Colorado, acting through the Board of Land Commissioners 1127 Sherman Street, Suite 300 Denver, CO 80203
70 Ranch, LLC 8301 East Prentice Avenue, Suite 100 Greenwood Village, CO 80111	Rex Monahan Family Trust dated June 16 th , 1979 and Restated and Amended on March 1, 2005, Doris L. Monahan, Trustee P.O. Box 1231 Sterling, CO 80751-1231
The Prospect Company P.O. Box 1100 Edmond, OK 73083-1100	Lewis Lee Allard 269 Garfield Street Walden, CO 80430
Marc Lawrence Allard 5516 East CR 66 Wellington, CO80540	

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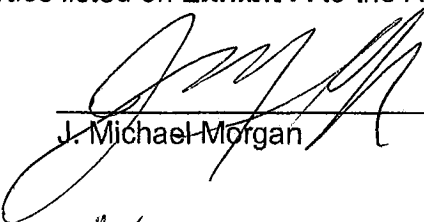
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AFFIDAVIT OF MAILING

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 August 28th 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 the Application.

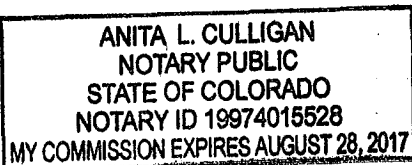


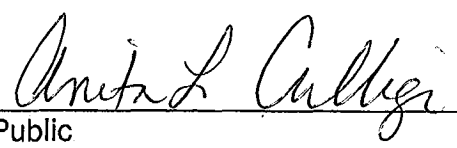
J. Michael Morgan

Subscribed and sworn to before me this 28th day of August, 2013

Witness my hand and official seal.

My commission expires: 8/28/17





Notary Public