# 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 POOL ALL INTERESTS IN AN APPROXIMATE 640-ACRE DRILLING AND SPACING UNIT LOCATED IN SECTION 29, TOWNSHIP 5 NORTH, RANGE 61 WEST, 6<sup>TH</sup> P.M., FOR THE DEVELOPMENT/OPERATION OF THE NIOBRARA FORMATION, RIVERSIDE FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO.

TYPE: POOLING

#### **APPLICATION**

COMES NOW Bonanza Creek Energy Operating Company LLC (Operator No. 8960) ("Applicant"), by its attorneys, Burleson LLP, and makes this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to pool all interests within an approximate 640-acre drilling and spacing unit ("DSU, as defined below, for the drilling and production of the State Pronghorn 44-14-29HNB (API No. 05-123-40061), the State Pronghorn 43-13-29HNB (API No. 05-123-40060, and the State Pronghorn X-D-29HNC (API No. 05-123-40062) (collectively, "Wells"), and all future wells allowed by Commission Order 407-850, for the development of the Niobrara Formation on the following described lands:

Township 5 North, Range 61 West, 6<sup>th</sup> P.M. Section 29: All

640-acres, more or less, Weld County, Colorado (hereinafter "Application Lands").

In support thereof, Applicant states and alleges as follows:

- 1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.
  - 2. Applicant owns certain leasehold interests in the Application Lands.
- 3. On April 27, 1998, 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 of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A was amended 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 to, among other things, address the drilling of horizontal wells.

- 4. On February 22, 2011, the Commission entered Order No. 535-4, which, among other things, established seventy-four (74) approximate 640-acre drilling and spacing units for certain lands in Townships 4, 5 and 6 North, Ranges 61 and 62, 6th P.M., and allow one horizontal well in each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. and Approves the request to correct Order No. 535-4 by correcting references to Rule 318.a. to Rule 318A, and correcting the boundary setbacks from 600 feet to 460 feet, consistent with Rule 318A.
- 5. On September 16, 2013, the Commission entered Order No. 407-850, which, among other things, approved up to ten (10) horizontal wells within an approximate 640-acre drilling and spacing unit consisting of Section 29, Township 5 North, Range 61 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- 6. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order to pool all interests within the drilling and spacing unit, including but not limited to, any non-consenting interests and leased mineral interests, in the Application Lands in the Niobrara Formation underlying the following approximate 640-acre drilling and spacing unit:

Township 5 North, Range 61 West, 6<sup>th</sup> P.M. Section 29: All

- 7. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the State Pronghorn 44-14-29HNB (API No. 05-123-40061), the State Pronghorn 43-13-29HNB (API No. 05-123-40060, and the State Pronghorn X-D-29HNC (API No. 05-123-40062), to the Niobrara Formation on the Application Lands.
- 8. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled, including leased mineral interest owners, within seven (7) days of the date hereof, as required by Rule 507.b(2), and that at least thirty-five (35) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the well(s), and will be provided with the information required by Rule 530 as applicable.
- 9. That in order to prevent waste and to protect correlative rights, all interests in the drilling and spacing unit should be pooled for the orderly development of the Niobrara Formation, including any non-consenting interests therein.

WHEREFORE, Applicant requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

- A. Pooling all interests in an approximate 640-acre drilling and spacing unit established on Application Lands for the development of the Niobrara Formation.
- B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that any of the costs specified in C.R.S. § 34-60-116(7)(b) are first incurred for the drilling of the State Pronghorn 44-14-29HNB (API No. 05-123-40061), the State Pronghorn 43-13-29HNB (API No. 05-123-40060, and the State Pronghorn X-D-29HNC (API No. 05-123-40062), to the Niobrara Formation on the Application Lands.
- C. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the well(s) are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to the well(s) drilled to develop the Niobrara Formation in the drilling and spacing unit composing the Application Lands.
- D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in September 2015, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: July 16<sup>th</sup>, 2015.

Respectfully submitted:

BONANZA CREEK ENERGY OPERATING COMPANY LLC

Jamie L. Jost Joseph M. Evers Burleson LLP Attorneys for Applicant 1700 Lincoln Street, Suite 1300 Denver, Colorado 80203 (801) 801-3200

Applicant's Address:
Bonanza Creek Energy Operating
Company LLC
ATTN: Juan Bustillos
410 17<sup>th</sup> Street, Suite 1400
Denver, CO 80202

#### VERIFICATION

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

Juan M. Bustillos, of lawful age, being first duly sworn upon oath, deposes and says that he is a Landman II, Rocky Mountain Region for Bonanza Creek Energy, Inc., and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Landman II, Rocky Mountain Region Bonanza Creek Energy, Inc.

Subscribed and sworn to before me this 16 day of July 2015.

Witness my hand and official seal.

[SEAL]

SALLY KROMER

NOTARY PUBLIC

STATE OF COLORADO

NOTARY 1D # 20144038926

MY COMMISSION EXPIRES OCTOBER 06, 2018

My commission expires: 10-06-2014

Notary Public

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IN THE MATTER OF THE APPLICATION OF BONANZA CREEK ENERGY OPERATING COMPANY LLC, FOR AN ORDER TO POOL ALL INTERESTS IN AN APPROXIMATE 640-ACRE DRILLING AND SPACING UNIT LOCATED IN SECTION 29, TOWNSHIP 5 NORTH, RANGE 61 WEST, 6<sup>TH</sup> P.M., FOR THE DEVELOPMENT/OPERATION OF THE NIOBRARA FORMATION, RIVERSIDE FIELD, WELD COUNTY. COLORADO

CAUSE NO.

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### **AFFIDAVIT OF MAILING**

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

I, Jamie L. Jost, of lawful age, and being first duly sworn upon my oath, state and declare that I am the attorney for Bonanza Creek Energy Operating Company LLC, and that on or before the day of July, 2015, I 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.

Jamie L. Jost

Subscribed and sworn to before me on this <u>lt</u> day of July, 2015.

Witness my hand and official seal.

My commission expires: June 24, 2018

FIACHEL FLEMING

NOTARY PUBLIC

STATE OF COLORADO

NOTARY ID 20144025048

MY COMMISSION EXPIRES JUNE 24, 2018

Votary Public

## Exhibit A FP - State Pronghorn 44-14-29HNB, X-D-29HNC & 43-13-29HNB

Anschutz Exploration Corp. 555 17<sup>th</sup> Street, #2400 Denver, CO 80203

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

Bonanza Creek Energy Inc. 410 17<sup>th</sup> Street, Suite 1400 Denver, CO 80202

Colorado Board of Land Commissioners 1127 Sherman Street, Suite 300 Denver, CO 80203-2206

Equus Farms Inc. 37139 US Hwy 34 Kersey, CO 80644

Family Tree Corporation PO Box 260498 Lakewood, CO 80226

John G Wilding 6417 Grateful Heart Gate Columbia, MD 21044

Katherine W Lesanto S. Horace Street Needham, MA 02494

Loraine C Fels a/k/a Loraine M Fels Address Unknown

Charles B McPherson 218 Essex Lane Colorado Springs, CO 80909

William Smith McPherson III 2350 Adobe Road #194 Bullhead City, AZ 86429 OOGC America LLC 9805 Katy Freeway, Suite 500 Houston, TX 77024

Margaret C S Ramsburg 9018 Walnut Street, PO Box 97 Libertytown, MD 21762

Rose Marie Sappington 12067 Main Street, PO Box 326 Libertytown, MD 21762

Chrystelle L Payne 3649 Texas Street San Diego, CA 92104

Ronald A. Berger as Attorney-in-Fact for Rosemarie B. Sappington, a widow and heir to the estate of Thomas A. Sappington, deceased P.O. Box 326 Libertytown, MD 21762