

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

IN THE MATTER OF THE PROMULGATION AND ) CAUSE NO. 407  
ESTABLISHMENT OF FIELD RULES TO GOVERN )  
OPERATIONS IN THE WATTENBERG FIELD, ) DOCKET NO. 1205-AW-03  
WELD COUNTY, COLORADO )

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On April 27, 1998, 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 of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. Pursuant to Rule 318A.j., Rule 318A. supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. Sections 4 through 7, 9, 10 and 15 through 18, Township 5 North, Range 61 West, 6<sup>th</sup> P.M. and Sections 2, 12, 13, 15 and 24, Township 5 North, Range 62 West, 6<sup>th</sup> P. M. are subject to this Order for the Niobrara Formation.

On November 29, 2010, the Commission entered Order No. 407-380 which, among other things: (1) established fifteen approximate 640-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, and authorized one horizontal well within each unit, with the surface location to be located anywhere within the unit or on surrounding lands, consistent with Rule 318A; and (2) 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 to be no closer than 150-feet from the wellbore of any existing or permitted oil and gas well. Sections 4 through 7, 9, 10 and 15 through 18, Township 5 North, Range 61 West, 6<sup>th</sup> P.M. and Sections 2, 12, 13, 15 and 24, Township 5 North, Range 62 West, 6<sup>th</sup> P. M. are subject to this Order for the Niobrara Formation.

On March 30, 2012, Bonanza Creek Energy Operating Company LLC ("Bonanza" or "Applicant"), by its attorneys, filed with the Commission pursuant to § 34-60-116 C.R.S., a verified application ("Application") for an order to authorize one or more additional horizontal wells within each 640-acre drilling and spacing unit for the below-described lands ("Application Lands"), for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the surface facilities to be located anywhere on the surface or on surrounding lands, consistent with Rule 318A; and the completed interval of any horizontal well to be located no closer than 460-feet from the boundaries of the unit, and the distance between the completed interval of any horizontal wellbore to be located no closer than 150-feet from the wellbore of any existing or permitted oil and gas well, without exception being granted by the director:

Township 5 North, Range 61 West, 6<sup>th</sup> P. M.  
Sections 4 through 7, 9, 10 and 15 through 18: All

Township 5 North, Range 62 West, 6<sup>th</sup> P. M.  
Sections 2, 12, 13, 15 and 24: All

Applicant further requested that horizontal wells under the requested order 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 a surface location within 50 feet of an adjacent well, absent a showing of good cause, which shall include surface owner consent.

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado (Commission) under § 34-60-105 C.R.S.; 2) specific powers granted pursuant to § 34-60-106 C.R.S.; 3) the Colorado Administrative Procedures Act at § 24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Tuesday, May 29, 2012  
Wednesday, May 30, 2012

Time: 9:00 a.m.

Place: COGCC Offices  
1120 Lincoln Street, Suite 801  
Denver, Colorado 80203

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

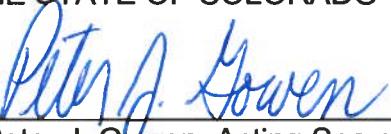
Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

**In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than May 14, 2012, briefly stating the basis of the protest or intervention. Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and 13 copies shall be filed with the Commission. Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of May 14, 2012. Pursuant to Rule 503.g., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules. In accordance with the practices of the Commission, should no protests or interventions be filed in this matter by May 14, 2012, the Applicant may request that an administrative hearing be scheduled beginning May 14, 2012. In the alternative, pursuant to Rule 511., if the matter is uncontested, the applicant may request, and the Director may recommend approval on the basis of the merits of the verified application and the supporting exhibits.**

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

By

  
Peter J. Gowen

Peter J. Gowen, Acting Secretary

Dated at Suite 801  
1120 Lincoln Street  
Denver, Colorado 80203  
April 20, 2012

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