

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

IN THE MATTER OF THE APPLICATION OF)	
BONANZA CREEK ENERGY OPERATING)	CAUSE NO. 407
COMPANY LLC FOR AN ORDER VACATING)	
ORDERS 407-380, 407-633 AND 407-711 AS)	DOCKET NO. 1303-SP-_____
THEY APPLY TO SECTION 15, TOWNSHIP)	
5 NORTH, RANGE 62 WEST, WELD COUNTY,)	
COLORADO)	

VERIFIED APPLICATION

COMES NOW, Bonanza Creek Energy Operating Company LLC ("Bonanza"), 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 ("Commission"), for an order to vacate Commission Orders 407-380, 407-633 and 407-711 as they apply solely to Section 15, Township 5 North, Range 62 West, in Weld County, Colorado, and in support states as follows:

1. Bonanza is a limited liability company duly organized and authorized to conduct business in the State of Colorado.

2. Applicant owns oil and gas leasehold interests in the following lands in Weld County, Colorado (the "Application Lands"):

Township 5 North, Range 62 West, 6th P.M.
Section 15: All

3. 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 units for the production of oil and gas from horizontal wells to the Niobrara Formation underlying the Application Lands, and established units in certain other lands.

4. On May 29, 2012, the Commission issued Order 407-633, which, among other things, allowed additional horizontal wells to be drilled in the Application Lands and in each other unit subject to said Order.

5. On October 1, 2012, the Commission issued Order 407-711, which, among other things, affirmed Orders 407-380 and 407-633 as to previously omitted parties.

6. Bonanza hereby requests that the Commission vacate its Orders 407-380, 407-633 and 407-711, and apply the Greater Wattenberg Area setbacks set forth in Commission Rule 318A to the Application Lands.

7. With the exception of the State Antelope #41-15HZ well (API #05-123-33361), which is operated by Bonanza in the E/2E/2 of Section 15, there are no producing wells on the Application Lands. The wellbore of the State Antelope #41-15HZ well is located entirely on a surface and mineral estate owned by the State of Colorado, and is not within 460 feet of the

boundaries of the leasehold. Royalty proceeds from the State Antelope #41-15HZ well have been paid solely to the State of Colorado.

8. Bonanza is in the process of drilling the Antelope #F-J-15HNB well (API #05-123-35985) in the W/2 of Section 15. The wellbore of the W/2 of Section 15 is located entirely on private surface and mineral estates and is not within 460 feet of the boundary of such leaseholds.

9. Vacating the above Orders as they apply to the Application Lands and re-establishment of Greater Wattenberg Area setbacks set forth in Commission Rule 318A on the Application Lands will facilitate the drilling of new horizontal wells on said lands, will promote conservation, ensure accurate production, accounting and efficient operation of the wells. The relief requested in this Verified Application will also prevent waste, protect correlative rights and assure the greatest recovery of oil, gas and associated hydrocarbons from the Application Lands.

10. Bonanza hereby verifies that the names and addresses of the interested parties according the information and belief of Bonanza are set forth in the annexed **Exhibit A**.

11. The undersigned certifies that copies of this Verified Application shall be served on each interested party within seven (7) days of the filing of this verified application as required by Rule 503.e.

WHEREFORE, Applicant, Bonanza Creek Energy Operating Company LLC, respectfully requests that this matter be set for hearing in March 25 or 26, 2013, that notice be given as required by law, and that upon such hearing this Commission enter its order vacating Commission Orders 407-380, 407-633 and 407-711 as to the Application Lands only, and apply the Greater Wattenberg Area setbacks set forth in Commission Rule 318A to the Application Lands, and for such other findings and orders as the Commission may deem just and advisable consistent with the above request.

Dated: January 22nd, 2013.

LOHF SHAIMAN JACOBS HYMAN & FEIGER PC

By: 
J. Michael Morgan #7279
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

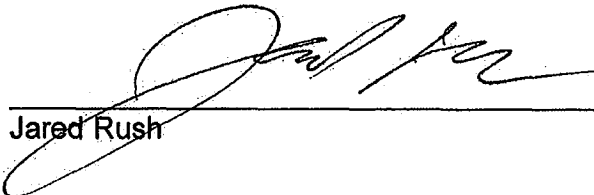
STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

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 that he maintains his office at 410 17th Street, Suite 1500, Denver, Colorado 80202.

2. He has read the within 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.

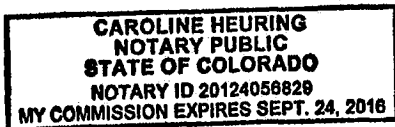
Further Affiant sayeth not.


Jared Rush

Subscribed and sworn to before me this 22 day of January, 2013.

Witness my hand and official seal.

My commission expires: 9/24/2016



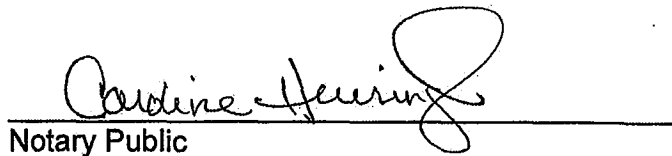

Notary Public

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:

Timothy Kelly, Mineral Leasing Manager
Colorado State Land Board
1127 Sherman Street, Suite 300
Denver, CO 80203

Celia Greenman
Colorado Division of Wildlife
6060 Broadway
Denver, CO 80214

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

Kerr McGee Oil and Gas Onshore LP
1099 18th Street, Suite 1800
Denver, CO 80202

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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 January 22nd, 2013, he 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.



J. Michael Morgan

Subscribed and sworn to before me this 22 day of January, 2013

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



Tonja L. Hoisington, Notary Public

