

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

IN THE MATTER OF THE VERIFIED APPLICATION OF BONANZA CREEK ENERGY OPERATING COMPANY LLC FOR AN ORDER POOLING NON- CONSENTING OWNERS IN A 640 ACRE DRILLING AND SPACING UNIT FOR THE PRONGHORN 41-11-9HZ WELL, DRILLED TO THE NIOBRARA FORMATION UNDERLYING TOWNSHIP 5 NORTH, RANGE 61 WEST, 6TH P.M.: SECTION 9, WELD COUNTY, COLORADO	CAUSE NO: ORDER NO: DOCKET NO:
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VERIFIED APPLICATION

COMES NOW the Applicant, Bonanza Creek Energy Operating Company LLC, by and through its attorneys, Poulson, Odell & Peterson, LLC, and files its application with the Oil and Gas Conservation Commission of the State of Colorado for an Order pooling non-consenting owners in a 640 acre drilling and spacing unit for the Pronghorn 41-11-9HZ Well drilled to the Niobrara Formation underlying the below described lands in Weld County, Colorado. In support thereof, Applicant states as follows:

1. That Applicant is a limited liability company duly authorized to conduct business in the State of Colorado.

2. The Applicant desires to pool all nonconsenting owners of net revenue interests in the Niobrara Formation in the following described lands located in Weld County, Colorado:

Township 5 North, Range 61 West, 6th P.M.
Section 9: All
Weld County, Colorado

(the "Application Lands").

3. That Applicant owns some or all of the leasehold interests in the Application Lands. A reference map is attached as Exhibit "B".

4. 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 Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A was amended to, among other things, allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On September 30, 2011, Rule 318A was again amended to, among other things, more specifically address

circumstances involving the drilling of horizontal well(s). The Application Lands are subject to this Rule.

5. Effective 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. The Application Lands are subject to this Order for the Niobrara Formation.

6. Effective May 29, 2012, the Commission entered order No. 407-633 which, among other things: 1) Authorized one or more additional horizontal wells within the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; 2) provided that surface facilities may be located anywhere on the surface or on surrounding lands, consistent with Rule 318A; 3) required 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; and 4) required that such horizontal wells shall be drilled from no more than two surface pads per governmental half-section, as designated by the operator, with the second and subsequent wells on each pad to be drilled at surface location within 50 feet of an existing well, absent a showing of good cause, which shall include surface owner consent.

7. The Pronghorn 41-11-9HZ Well was spud on March 12, 2012 and drilled as a horizontal well to the Niobrara Formation.

8. Applicant has so far been unable to obtain 100% consent to voluntary pooling by all net revenue interests owners in the Application Lands. As a result, it is necessary and proper for Applicant to request that the interests of those net revenue interest owners which have not agreed to such voluntary pooling be involuntarily pooled pursuant to C.R.S. § 34-60-116 of the Colorado Oil and Gas Conservation Act, retroactive to the date the well site was staked.

9. That with respect to those net revenue interest owners which would participate in production from the anticipated well or wells, Applicant has made, will make, and/or continues to make reasonable attempts pursuant to Commission Rule 530.b. to enter into leases with such parties or to obtain their participation in the proposed well or wells, but has so far been unsuccessful in such attempts. As of the date hereof, those owners either elected not to participate in such drilling and completion, or to lease their interests, or have not responded to the correspondence from Applicant making such offers.

10. That in order to prevent waste, protect correlative rights and in the best interests of conservation, all mineral interests or working interests owned by those owners should be pooled in accordance with C.R.S. § 34-60-116 and Commission Rule 530, as to all horizontal wells drilled or to be drilled to the Niobrara Formation in the Application Lands.

11. Pursuant to Rule 503(d) of this Commission, within seven (7) days of the filing of this Application, the Applicant shall submit a Certificate of Service to the Commission demonstrating that the Applicant served a copy of the Application on all persons entitled to Notice by mailing a copy thereof, first-class postage prepaid, to the last known mailing address of the interested parties. Applicant shall simultaneously submit said list of interested parties to the Commission via electronic media.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in July, 2013, that notice be given as required by law, and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

DATED: May 30, 2013.

Bonanza Creek Energy Operating
Company LLC

By:



Scott M. Campbell

Jeremy I. Ferrin

POULSON, ODELL & PETERSON, LLC

1775 Sherman Street, Suite 1400

Denver, Colorado 80203

Telephone: (303) 861-4400

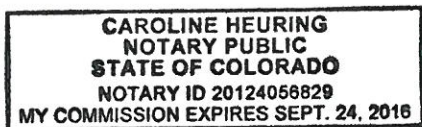
Facsimile: (303) 861-1225


VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

Michael Meagher, of lawful age, being first duly sworn upon oath, deposes and says that he is an Associate Landman for Bonanza Creek Energy Operating Company LLC, 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.

Bonanza Creek Energy Operating
Company LLC



By: 
Michael Meagher

Subscribed and sworn to before me this 29th day of May, 2013.

Witness my hand and official seal.

My commission expires: 9/24/2016.

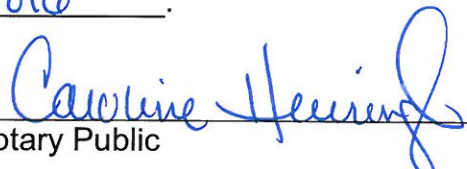

Notary Public

EXHIBIT A
INTERESTED PARTIES LIST

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Denver CO 80203

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Weld County
State of Colorado
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ConocoPhillips Company
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Bonanza Creek Energy
Operating Company LLC
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Colorado Dept. Of Public
Health & Environment
Attn Kent Kuster Oil & Gas
Consultant Coordinator
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Denver CO 80246-1500

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Commissioners
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David Bauer
Weld County LGD
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Centennial Mineral Holdings
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Wells Fargo Bank of Denver
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Bank of Denver
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Longmont CO 80501

Dean Davis, Deceased
Address Unknown

Jean Kington
Address Unknown

Harry Foreman, Deceased
Address Unknown

Tess Mandelko, Deceased
Address Unknown

P.E. Williams, Deceased
Address Unknown

Margaret Mandelko, Deceased
Address Unknown

Florence Williams, Deceased
Address Unknown

Guy Davis, Deceased
Address Unknown

Bonanza Creek Energy - Exhibit B

