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

IN THE MATTER OF THE APPLICATION OF BONANZA CREEK ENERGY, INC. FOR AN ORDER TO POOL ALL INTERESTS IN AN APPROXIMATE 640-ACRE DRILLING AND SPACING UNIT IN SECTION 7, TOWNSHIP 5 NORTH, RANGE 61 WEST, 6TH P.M., FOR THE NIOBRARA FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW Bonanza Creek Energy, Inc. ("Applicant"), by its attorneys, Jost & Shelton Energy Group, P.C., 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 for the drilling of the Pronghorn 14-11-7HZ, (API No. 05-123-34807) and the Pronghorn 44-41-7HNB, (API No. 05-123-36386) ("Wells") for the development of the Niobrara Formation on the following described lands:

Township 5 North, Range 61 West, 6th P.M. Section 7: ALL

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 November 29, 2010, the Commission entered Order No. 407-380, which, among other things, established twenty-one approximate 640-acre drilling and spacing units for various lands in Township 5 North, Ranges 61 and 62 West, 6th

P.M. and Township 6 North, Range 62 West, 6th P.M., and allowing one horizontal well in each of the units, with initial penetration of the Codell and Niobrara Formations, lateral, and bottomhole location not closer than 460 feet from the boundaries of the unit.

- 5. On May 29, 2012, the Commission entered Order No. 407-633, which, among other things, allowed one or more additional horizontal wells within each existing approximate 640-acre drilling and spacing unit, for certain lands in Townships 5 North, Ranges 61 and 62 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, including but not limited to, any nonconsenting interests, in the Application Lands in the Niobrara Formation underlying the following approximate 640-acre designated Drilling and Spacing Unit:

Township 5 North, Range 61 West, 6th P.M. Section 7: ALL

(hereafter "Drilling and Spacing Unit").

- 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 Wells 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 within seven (7) days of the date hereof, as required by Rule 507.b(2), and that at least thirty (30) 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 Wells, and will be provided with the information required by Rule 530 as applicable. The list of such interested parties is attached hereto as Exhibit A.
- 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 nonconsenting 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 the Application Lands and the Drilling and Spacing Unit 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 each of the Wells in the Drilling and Spacing Unit 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 Wells 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 Wells drilled to develop the Niobrara Formation in the Wellbore Spacing Units comprising 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 April 2014, 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: February 27, 2014.

Respectfully submitted:

Bonanza Creek Energy, Inc.

Ву:

Jamie L. Jost Joseph M. Evers

Jost & Shelton Energy Group, P.C.

Attorneys for Applicant

1675 Larimer St., Suite 1400

Denver, Colorado 80202

(720) 379-1812

Applicant's Address:

Bonanza Creek Energy, Inc. ATTN: Caroline Heuring 410 17th Street, Suite 1400 Denver, CO 80202

VERIFICATION

STATE OF COLORADO)
CITY AND COUNTY OF DENVER) ss.)
that she is a Landman for Bonanza Cree	eing first duly sworn upon oath, deposes and says ek Energy, Inc., and that she has read the is therein contained are true to the best of her Caroline Heuring Landman Bonanza Creek Energy, Inc.
Subscribed and sworn to before me this	<u>/</u> ៩ day of February 2014.
Witness my hand and official seal.	
MATTHEW W. JONES NOTARY PUBLIC STATE OF COLORADO NOTARY ID # 20134057901 MY COMMISSION EXPIRES SEPTEMBER 13,2017	
My commission expires: 9/13/20	17
Mark W. Lons	
	Notary Public
ν	

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IN THE MATTER OF THE APPLICATION OF BONANZA CREEK ENERGY, INC. FOR AN ORDER TO POOL ALL INTERESTS IN AN APPROXIMATE 640-ACRE DRILLING AND SPACING UNIT IN SECTION 7, TOWNSHIP 5 NORTH, RANGE 61 WEST, 6TH P.M., FOR THE NIOBRARA FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

AFFIDAVIT OF MAILING	
STATE OF COLORADO)	
)ss. CITY AND COUNTY OF DENVER)	
I, Jamie Jost of lawful age, and being first duly sworn upon my oath, state and declare that I am the attorney for Bonanza Creek Energy, Inc., and that on or before the day of March, 2014, 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 this 27 day of February 2014.	
Witness my hand and official seal.	
[SEAL]	
My commission expires; 9/18/17	

Manille Carro

Notary Public

DANIELLE E CARROLL Notary Public State of Colorado Notary ID 20134059312 My Commission Expires Sep 18, 2017

EXHIBIT A

Bonanza Creek Energy Operating Company, LLC 410 17th Street, Suite 1400 Denver, CO 80202

Bonanza Creek Energy, Inc. 410 17th Street, Suite 1500 Denver, CO 80202

Bill Barrett Corporation 1099 18th Street, #2300 Denver, CO 80202

Anschutz Exploration Corporation 555 17th Street, Suite 2400 Denver, CO 80202

Estate of Bert M. Keating, deceased Robert M. Keating 1506 Chesterfield Dr. Carrollton, TX 75007

Kathy L. Denny 4456 Boston Dr. Plano, TX 75093

Estate of Don D. Bowman, deceased conveyed to Robert Henry @ 3995414) 2564 East Teakwood Place Chandler, AZ 85249

Gerhardt Schmidt c/o Richard Schmidt 1113 Judson Drive West Chester. PA 19380

Richard Schmidt 1113 Judson Drive West Chester, PA 19380

Robert Schmidt 1113 Judson Drive West Chester, PA 19380

Michael Bernard Henry 7125 Kellogg Dr. NE Olympia, WA 98516 Brian Joseph Henry 8453 Ferncliff Ave Bainbridge Island, WA 98110

Guardian of the Estate of Donald Edward Henry, incapacitated c/o Robert Henry 2564 East Teakwood Place Chandler, AZ 85249

William Noble Hamilton 3408 West 11th Street Greeley, CO 80631

Richard Elroy Hamilton 3408 West 11th Street Greeley, CO 80631

Phillip Wayne Hamilton 970 W. Broadway, #324 Jackson, WY 83001

John Bob Johnson P.O. Box 49 Hillrose, CO 80733

Ciara Picton CMR 414, Box 2314 APO, AE 09173

Edward Vannest 108 3rd Street LeSalle, CO 80645

Laura Mix 23964 County Road 57 Kersey, CO 80644

Gina M. Janak 755 Monticello Circle Allen, TX 75002

The American National Red Cross 2025 E. Street, NW., NW9-069A Washington, DC 20006

William E. Walker Living Trust, William E. Walker, II, Trustee 3830 Valley Centre Drive, #705-764 San Diego, CA 92130

G.N. Rupe P.O. Box 783010 Wichita, KS 67278

Joan Janow Brodie 240 South Manaco, Apt. 311 Denver, CO 80224

Tharan, LLC 12421 Irving Street Wichita, KS 67235

Highland Production, LLC 8100 East 22nd Street North, Building 700 Wichita, KS 67226

Velma L. Wallace, Trustee of the Velma L. Wallace Living Trust (Restated) dated May 7, 2009
100 N. Broadway, #490
Wichita, KS 67202-2204

Steeby Revocable Family Trust dated October 5, 2010 229 North Woodchuck Wichita, KS 67212

Funkhouser Family Partnership 2014 Shell Street Midland, TX 79705

Sharon Lee Slattery, personal representative of the Estate of Beulah M. Ferretti, deceased 1125 Zinnia Street Golden, CO 80401

Paula R. Hope Rural Route 1, Box 158 B-1 Mooreland, OK 73852

Eileen E. Miller 2808 Verona Way Edmond, OK 73034 Sheeran Tallbear 620 Sherwood Drive Norman, OK 73071

Keenan Downey 4115 West Main Street, Apt. E Norman, OK 73072

Don Michael MacLeod, aka Michael MacLeod #9 Calle Francesca Rancho Santa Margarita, CA 92688

The Ruth Bendor Trust, Jonathan B. Bendor and Judith A. Bendor, Co-Trustees 614 Alvorado Row Stanford, CA 94305-8506

The Croke Revocable Trust 258 S. Ulukoa Place Lahaina, HI 96761

James E. Thorn 230 South Topeka Avenue Wichita, KS 67202

McGhee Investment Company (20-A) 6767 South Spruce Street, Suite 240 Englewood, CO 80112-1285

McGhee Investment Company (20-B) P.O. Box 3306 Centennial, CO 80161-3306

L&S Capital, Ltd. 800 N. Highway 36 Byars, CO 80103

Larry French 53 North Keener Road Leoma, TN 38468

Dustin French, heir of Noelene Jay French, aka Nobelene Jay Hamilton 53 North Keener Road Leoma, TN 38468

Robert H. Hamilton

2152 River West Drive Windsor, CO 80550

Bonnie Jean Mascarenas 623 37th Ct. Greeley, CO 80634

David Dean Klingenberg 515 12th Ave NW Hampton, IA 50441

Daniel Stephen Klingenberg 20232 Weld County Rd. 51 Kersey, CO 80644

Josette Henry 224 Vista Ray Court Grand Junction, CO 81503

William J. Henry 14890 West 53rd Ave Golden, CO 80403-1220

Robert Henry 2564 E. Teakwood Pl. Chandler, AZ 85249-3525

Elmer Willis Ealey 1482 S. Cape Way Lakewood, CO 80232

Shirley June Johnson 18628 Weld County Rd 33 LaSalle, CO 80645

Stanley Buford Henry 360 Aspen Drive Brighton, CO 80601

Sharon L. McGee 3276 Garland Street Wheat Ridge, CO 80033

Donald Lee Wilhelm, Sr. 509 East Main Street Atlanta, MO 63530-1109

Patricia Louise Hocke 18 Albany Park Muscatine, IA 52761 Gary Dean Wilhelm 2495 Fry Avenue Letts, IA 52754-9514

Debbie Marie Phillips P.O. Box 193 Frontier, WY 83121

George G. Vaught, Jr. P.O. Box 13557 Denver, CO 80201

Paul L. McCulliss P.O. Box 3248 Littleton, CO 80161-3248

Joann L. Eisenbrandt P.O. Box 13593 South Lake Tahoe, CA 96151

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CAUSE NO.

DOCKET NO.

SUPPLEMENTAL AFFIDAVIT OF MAILING

STATE OF COLORADO)
)ss.
COUNTY OF DENVER)

Jamie L. Jost of lawful age, and being first duly sworn upon her oath, states and declares:

That she is an attorney for Bonanza Creek Energy, Inc., that on March 18, 2014, she caused a copy of the above-captioned Application to be deposited in the United States Mail, postage prepaid, addressed to the following additional parties:

Phillip Hamilton 3904 Denver Street Evans. CO 80620

Jamie L. Jost

Witness my hand and official seal.

My commission expires:

Notary Public

DANIELLE E CARROLL Notary Public State of Colorado Notary ID 20134059312 My Commission Expires Sep 18, 2017