

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

IN THE MATTER OF THE APPLICATION OF
BONANZA CREEK ENERGY LLC FOR AN
ORDER TO VACATE PORTIONS OF ORDER
NO. 407-501, ESTABLISH AN APPROXIMATE
1280-ACRE EXPLORATORY DRILLING AND
SPACING UNIT AND APPROVE UP TO TWO
(2) WELLS WITHIN THE EXPLORATORY
1280-ACRE DRILLING AND SPACING UNIT
FOR THE CODELL AND NIOBRARA
FORMATIONS IN SECTIONS 17 AND 18,
TOWNSHIP 7 NORTH, RANGE 61 WEST, 6TH
P.M., WATTENBERG FIELD, WELD COUNTY,
COLORADO

Cause No.

Docket No.

APPLICATION

Bonanza Creek Energy LLC ("Applicant"), by and through its attorneys, Jost & Shelton Energy Group, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to: (i) vacate Order No. 407-501 only as to Section 18, Township 7 North, Range 61 West, 6th P.M. of the Application Lands defined below; (ii) establish an approximate 1280-acre exploratory drilling and spacing unit; and (iii) authorize up to two (2) horizontal wells in the 1280-acre exploratory drilling and spacing unit in order to recover the oil, gas and associated hydrocarbons from the Codell and Niobrara Formations underlying the below-described lands. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly organized and authorized to conduct business in the State of Colorado.

2. Applicant owns leasehold interests or holds the right to operate on the following lands (hereafter "Application Lands"):

Township 7 North, Range 61 West, 6th P.M.

Section 17: All

Section 18: All

1280-acres, more or less, Weld County, Colorado.

3. Rule 318.a. specifies that a well drilled two thousand five hundred (2,500) feet or greater shall be located not less than six hundred (600) feet from any lease line. Rule 318.a. applies to Section 17 of the Application Lands for the Codell and Niobrara Formations underlying the Application Lands.

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 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 drilling of horizontal wells but did not prohibit the establishment of drilling and spacing units within the Greater Wattenberg Area.

5. On October 31, 2011, the Commission entered Order No. 407-501, which among other things, approves the request for an order to establish twelve (12) 640-acre drilling and spacing units for certain lands located in Townships 6 and 7 North, Ranges 61 and 62 West, 6th P.M., and approve one (1) horizontal well within each unit. Order No. 407-501 applies to Section 18 of the Application Lands.

6. The records of the Commission reflect that no wells are currently drilled and completed to the Codell or Niobrara Formation underlying Application Lands.

7. Applicant requests that Order No. 407-501 (establishing a 640-acre drilling and spacing unit for Section 18 of Application Lands) be vacated only as Order No. 407-501 pertains to Section 18 of Application Lands.

8. To promote efficient drainage within the Codell and Niobrara Formations underlying Application Lands, to protect correlative rights and to avoid waste, the Commission should establish an approximate 1280-acre exploratory drilling and spacing unit for Application Lands.

9. That the above-proposed exploratory drilling and spacing unit will allow efficient drainage of the Codell and Niobrara Formations; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs.

10. That the Applicant is requesting to drill and complete up to two (2) horizontal wells with the surface locations for the wells to be anywhere within the unit but no more than one (1) surface location per quarter section within the unit, unless an exception is granted by the Director or as otherwise approved by a surface owner in order to recover the oil, gas and associated hydrocarbons within the 1280-acre exploratory drilling and spacing unit. There will be no adverse effect on correlative rights of adjacent owners.

11. The Applicant requests that the treated interval of the proposed horizontal wells shall be no closer than 600 feet from the boundaries of the unit (regardless of the lease lines within the unit), and not less than 150 feet from the treated interval of another well within the unit, unless an exception is granted by the Director.

12. The undersigned certifies that copies of this Application will be served on each interested party within seven (7) days of the filing hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully 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 this Commission enter its order:

A. Vacating Order No. 407-501 only as to Section 18, Township 7 North, Range 61 West, 6th P.M.

B. Establishing an approximate 1280-acre exploratory drilling and spacing unit for Sections 17 and 18, Township 7 North, Range 61 West, 6th P.M. and allowing up to two (2) horizontal wells in the unit in order to develop and recover the oil, gas and associated hydrocarbons from of the Codell and Niobrara Formations.

C. Providing that the treated interval any horizontal well shall be no closer than 600 feet from the boundaries of the unit and not less than 150 feet from the treated interval of another well within the unit, and authorizing surface locations for the wells to be anywhere within the unit but no more than one (1) surface location per quarter section, unless an exception is granted by the Director, or as otherwise approved by a surface owner.

D. Finding that an approximate 1280-acre exploratory drilling and spacing unit for the development of the Codell and Niobrara Formations underlying the Application Lands will prevent waste, protect correlative rights, and allow for the development of the Codell and Niobrara Formations in Sections 17 and 18, Township 7 North, Range 61 West, 6th P.M.

E. For such other findings and orders as the Commission may deem proper or advisable in this matter.

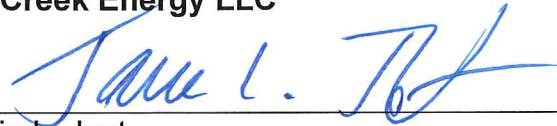
WHEREFORE, Applicant respectfully requests that this matter be set for hearing in September 2014, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

DATED this 13th day of July, 2014.

Respectfully submitted:

Bonanza Creek Energy LLC

By: _____



Jamie L. Jost
Joseph M. Evers
Jost & Shelton Energy Group, P.C.
Attorneys for Applicant
1675 Larimer St., Suite 420
Denver, Colorado 80202
(720) 379-1812

Applicant's Address:
Bonanza Creek Energy LLC
ATTN: Caroline Heuring
410 17th Street, Suite 1400
Denver, CO 80202

VERIFICATION

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

Caroline Heuring, of lawful age, being first duly sworn upon oath, deposes and says that she is a Landman for Bonanza Creek Energy LLC, and that she has read the foregoing Application and that the matters therein contained are true to the best of her knowledge, information and belief.

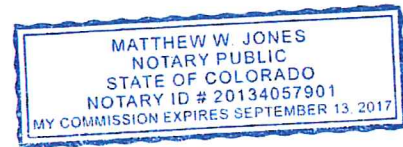
Caroline Heuring
Caroline Heuring
Landman

Bonanza Creek Energy LLC

Subscribed and sworn to before me this 17th day of July 2014.

Witness my hand and official seal.

[SEAL]

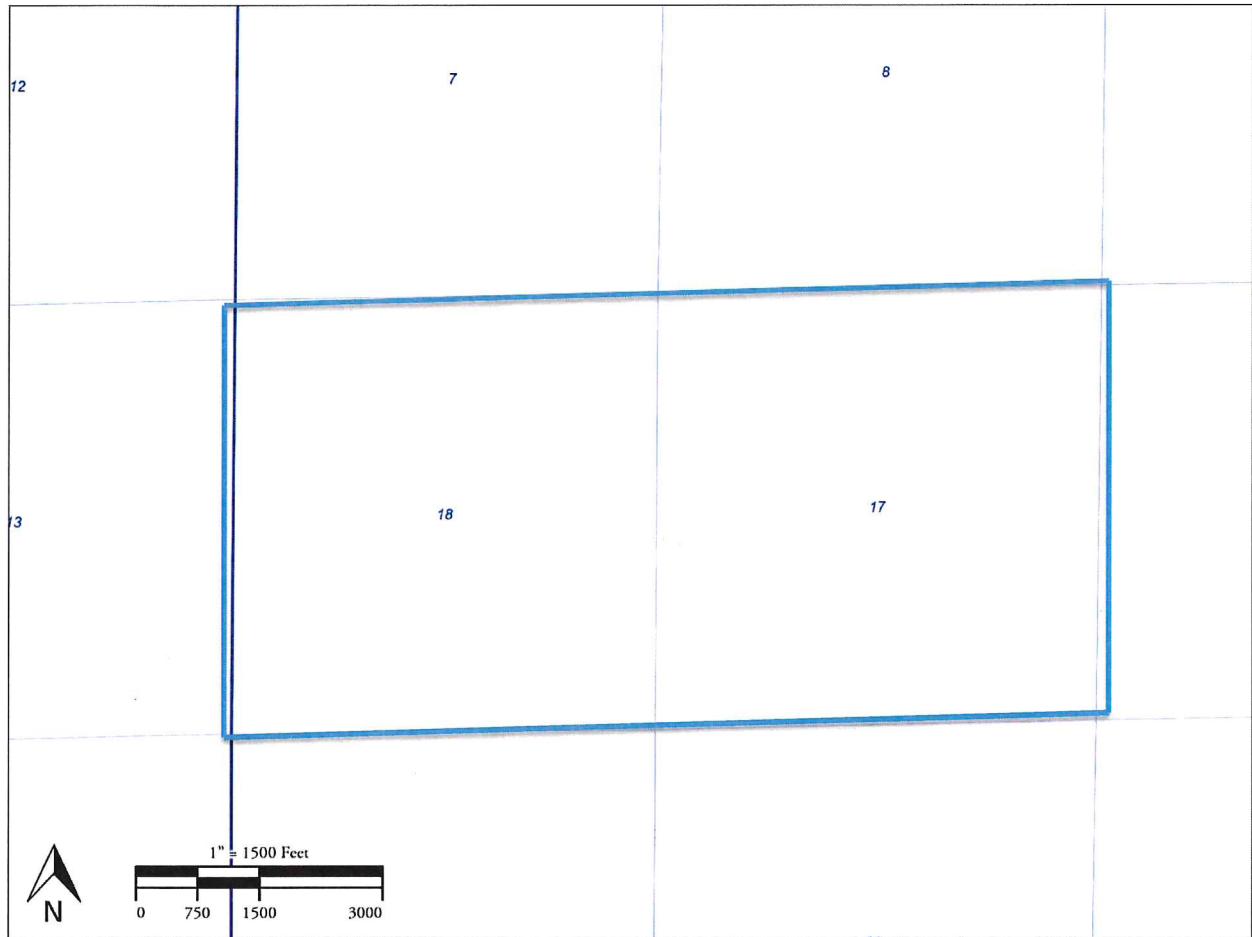


My commission expires: 9/13/2017

Matt W. Jones
Notary Public

Reference Map

Sections 17 & 18, T7N-R61W, 6th P.M.



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RANGE 61 WEST, 6TH P.M., WATTENBERG
FIELD, WELD COUNTY, COLORADO

Cause No.

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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 the attorney for Bonanza Creek Energy LLC, that on or before
July 24th, 2014, she 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 attached hereto.

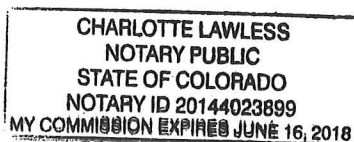


Jamie L. Jost

Subscribed and sworn to before me this 14th day of July, 2014.

Witness my hand and official seal.

My commission expires: 06/16/2018





Notary Public

Exhibit A

Interested Party List Bonanza Creek Sections 17 and 18, T7N-R61W

Trust of Norman K. Freeman
74 Norwood Ave.,
Kensington, CA 74707

Eleanor F. Hutchinson
30321 Wingfoot Drive
Evergreen, CO 80439

Estate of Henry Rothe
Route 3, Box 161
Greeley, CO 80631

Terance Edward Needham
2409 Presidio Dr.
San Diego, CA 92103

Jill Needham Mithun
P.O. Box 765
Teton Village, WY 83025

Nancy C. Manring
1700 S. Irving St.
Denver, CO 80219

Marie Shultz
2219 Etiwanda St.
San Diego, CA 92107

Sammy Lou Beldon
2901 Daisey
Union City, CA 94587

J.S. Abercrombie Mineral Company, Inc.
5005 Riverwa
Houston, TX 77056

Rusell H Volk Familt Trus
833 Southridge Green Blvd.
Ft. Collins, CO 80525

Alice C. Volk
834 Southridge Green Blvd.
Ft. Collins, CO 80525

Conoco Phillips
P.O. Box 2197
Houston, TX 77252

Joy Schaefer Henry
P.O. Box 177
Bonsall, CA 92003

Lamar C. Puett
P.O. Box 21544
Boulder, CO80308

Gregory A. Puett
3115 Ave P.
Galveston, TX 77550

ABH Baxter, LLC
P.O. Box 1649
Austin, TX 78767

First Presbyterian Church
5300 Main St.
Houston, TX 77004

NOBLE ENERGY, INC
1625 Broadway, Suite 2200
Denver, CO 80202

TIMBERLAKE MANAGEMANT CORP
1675 Larimer St., Suite 600
Denver, CO 80202

WHITING OIL AND GAS CORP
1700 Broadway, Suite 2300
Denver, CO 80202

MARATHON OIL COMPANY
555 San Felipe
Houston, TX 77056

DIAMOND RESOURCES CO
P.O. Box 1938
Williston, ND 58802

CONTINENTAL RESOURCES INC
P.O. Box 1032
Enid, OK. 73702

OOGC AMERICA, INC.
11700 Katy Freeway
Houston, TX 77079

Robert J. & Caryn L. Loew
3950 18th St Ln.
Greeley, CO 80634

Helen M Cass
42085 WCR 80
Briggsdale, CO 80611

Tom Schreiner
Energy Liaison
Colorado Parks and Wildlife
Northeast Regional Office
6060 Broadway
Denver, CO 80216

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

Tom Parko
Weld County
1555 North 17th Street
Greely, CO 80631