

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

IN THE MATTER OF THE APPLICATION OF  
BONANZA CREEK ENERGY OPERATING  
COMPANY LLC, FOR AN ORDER APPLYING  
THE COST RECOVERY PROVISIONS OF  
C.R.S. 34-60-116(7) TO THE CROW VALLEY 7-  
62-24 2H WELL (API NO. 05-123-35246) IN AN  
ESTABLISHED APPROXIMATE 1280-ACRE  
DRILLING AND SPACING UNIT POOLED IN  
ORDER NO. 407-716, LOCATED IN SECTIONS  
24 AND 25, TOWNSHIP 7 NORTH, RANGE 62  
WEST, 6<sup>TH</sup> P.M., FOR THE  
DEVELOPMENT/OPERATION OF THE  
NIOBRARA FORMATION, UNNAMED FIELD,  
WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

**APPLICATION**

COMES NOW Bonanza Creek Energy Operating Company LLC (Operator No. 8960) ("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 applying the cost recovery provisions of C.R.S. § 34-60-116(7) to the Crow Valley 7-62-24 2H Well (API No. 05-123-35246) ("Well") in an established approximate 1280-acre drilling and spacing unit, for the development of the Niobrara Formation on the following described lands:

Township 7 North, Range 62 West, 6<sup>th</sup> P.M.  
Section 24: All  
Section 25 : All

1280-acres, more or less, 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 recompleate 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 June 27, 2011, the Commission entered Order No. 407-559, which, among other things, approved the request for an order to establish seven (7) approximate 640-acre drilling and spacing units for certain lands located in Township 7 North, Ranges 61 through 62 West, 6th P.M., and approve one horizontal well within each unit, for the production of gas and associated hydrocarbons from the Niobrara Formation (Formerly Order No. 535-43). Order No. 407-559 does not affect this Application.

5. On October 31, 2011, the Commission entered Order No. 407-501, which, among other things, approved the request for an order to establish 51 approximate 640-acre drilling and spacing units for lands in Townships 1, 2, and 3 North, Ranges 61, 62 and 63 West, 6th P.M., and approve two horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Order No. 407-559 does not affect this Application.

6. On December 12, 2011, the Commission entered Order No. 407-528, which, among other things, approved the request for an order to establish 12 approximate 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 horizontal well within each unit. Order No. 407-528 does not affect this Application.

7. On December May 29, 2012, the Commission entered Order No. 407-642, which, among other things, approved the request for an order to amend Order Nos. 407-528, 407-559, and 535-27, vacate Order No. 535-27, authorize up to four horizontal wells in certain established drilling and spacing units, establish various 640-acre and 1280-acre drilling and spacing units for lands consisting of Sections 3, 13, 18, 24 & 25, 28, 32 & 33, Township 7 North, Ranges 60 & 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

8. On October 1, 2012, the Commission entered Order No. 407-716, which, among other things, approved the request for an order to pool all nonconsenting interests in an approximate 1280-acre drilling and spacing unit consisting of Sections 24 and 25, Township 7 North, Range 62 West, 6th P.M., for the development and operation of the Niobrara Formation. Certain parties with ownership interests in the Application Lands have elected to be pooled, pursuant to C.R.S. § 34-60-116(7), and have the cost recovery penalties applied to their interests. Applicant maintains that all interests in the approximate 1280-acre drilling and spacing unit comprised of Application Lands have been pooled pursuant to Order No. 407-716.

9. 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 within the

drilling and spacing unit, including but not limited to, any non-consenting interests and leased mineral interests, in the Application Lands in the Niobrara Formation underlying the following approximate 1280-acre drilling and spacing unit:

Township 7 North, Range 62 West, 6<sup>th</sup> P.M.

Section 24: All

Section 25 : All

10. 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) were first incurred for the drilling of the Well to the Niobrara Formation on the Application Lands.

11. 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, including leased mineral interest owners, within seven (7) days of the date hereof, as required by Rule 507.b(2), and that at least thirty-five (35) 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 well(s), 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.

12. 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 non-consenting 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. Applying the cost recovery provisions of C.R.S. § 34-60-116(7) to the Crow Valley 7-62-24 2H Well (API No. 05-123-35246) in an established approximate 1280-acre drilling and spacing unit, under Order no. 407-716, on Application Lands 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 any well 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 well(s) 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 well(s) drilled to develop the Niobrara Formation in the drilling and spacing unit composing the Application Lands.

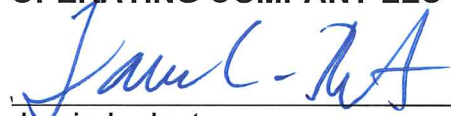
D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in April 2015, 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 12<sup>th</sup>, 2015.

Respectfully submitted:

**BONANZA CREEK ENERGY  
OPERATING COMPANY LLC**

A handwritten signature in blue ink, appearing to read "Jamie L. Jost", is written over a horizontal line.

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

Applicant's Address:  
Bonanza Creek Energy Operating  
Company LLC  
ATTN: Matt Jones  
410 17<sup>th</sup> Street, Suite 1400  
Denver, CO 80202

## VERIFICATION

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

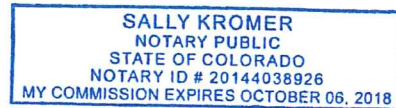
Matt Jones, of lawful age, being first duly sworn upon oath, deposes and says that he is a Landman, Rocky Mountain Region for Bonanza Creek Energy, Inc., and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

  
Matt Jones, RL  
Landman, Rocky Mountain Region  
Bonanza Creek Energy, Inc.

Subscribed and sworn to before me this \_\_\_\_ day of February 2015.

Witness my hand and official seal.

[SEAL]



My commission expires: 10-06-2018

  
Notary Public

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DOCKET NO.

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

Paul RA

Subscribed and sworn to before me on this 14 day of February, 2015.

My commission expires: 06/16/2018



**Exhibit A**  
**Interested Party List**

Bonanza Creek Operating Company, LLC  
410 17<sup>th</sup> Street, Suite 1400  
Denver, CO 80202

OOGC America, Inc. / OOGC America, LLC  
9805 Katy Freeway, Suite 500  
Houston, TX 77024

Red Hawk Petroleum, LLC  
4125 Blackhawk Plaza Circle, #201  
Danville, CA 94506

RJ Resources Corp.  
250 W. 55<sup>th</sup> Street, 14<sup>th</sup> Floor  
New York, NY 10019

JP Taylor Oil Properties, LLC  
757 E. 20<sup>th</sup> Avenue, Ste. 370-145  
Denver, CO 80205

Helen M. Cass  
42085 County Road 80  
Briggsdale, CO 80611

Barbara J. Jacobson  
13269 Roswell Avenue  
Chino, CA 91710

Wendell L. Cass  
13921 Andover  
Magnolia, CA 95954

Velma Cass Hall  
P.O. Box 261  
Bells, TX 75414

Larry W. Cass  
4174 Fauna Street  
Montclair, CA 91763

Corrie Owen  
26435 John Adams  
Murrieta, CA 92563

Kimberly A. Hansen  
15061 Christina Court  
Elsinore, CA 92530

Raymond S. Porter  
4400 Philadelphia Street, Space 231  
Chino, CA 91710

David W. Porter  
4400 Philadelphia Street, Space 231  
Chino, CA 91710

Jannelle L. Plannette  
9217 Madison Avenue  
Orangevale, CA 95662

Robert S. Plannette  
P.O. Box 2382  
Union City, CA 94587

Pamela Joy Cooper  
329 N. 46<sup>th</sup> Avenue Court  
Greeley, CO 80634

Robert Kenneth Fulton  
430 21<sup>st</sup> Avenue  
Greeley, CO 80631

Donald R. Porter  
514 Lytle Street  
Redlands, CA 92374

Ronald L. Porter  
8787 Locust Avenue, Space 15  
Fontana, CA 92335

LMC 2 LLC  
3204 Plaza De Rafael  
Las Vegas, NV 89102

Delores Ann Krehbiel  
2589 SE 70<sup>th</sup> Street  
Kingman, KS 67068

Milton Alsdorf  
427 Elm Street  
Elko, NV 89801

Jay Alsdorf  
840A 1825 Drive  
Delta, CO 81416

Forrest Alsdorf  
16776 F Road  
Delta, CO 81416

Centennial Mineral Holdings, LLC  
8235 Douglas Avenue, Ste. 815  
Dallas, TX 75225

U.S. AgBank, FCB  
245 Waco Street  
Wichita, KS 67202

Mark Hannigan  
1303 Banyan Drive  
Fort Collins, CO 80521