

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

IN THE MATTER OF THE APPLICATION OF	)	CAUSE NO. 407
BONANZA CREEK ENERGY OPERATING	)	
COMPANY LLC FOR AN ORDER TO VACATE	)	DOCKET NO. 1303-SP-37
ONE APPROXIMATE 640-ACRE DRILLING	)	
AND SPACING UNIT ESTABLISHED BY	)	
ORDER NO. 407-380 AND CONFIRMED BY	)	
ORDER NOS. 407-633 AND 407-711 FOR	)	
SECTION 15, TOWNSHIP 5 NORTH, RANGE	)	
62 WEST, 6 <sup>TH</sup> P.M., FOR THE NIOBRARA	)	
FORMATION, WATTENBERG FIELD, WELD	)	
COUNTY, COLORADO	)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On November 29, 2010, the Commission entered Order No. 407-380 which, among other things, established 15 approximate 640-acre drilling and spacing units, and approved one horizontal well within each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Section 15, Township 5 North, Range 62 West, 6<sup>th</sup> P.M. is subject to this Order for the Niobrara Formation.

On May 29, 2012, the Commission entered Order No. 407-633 which, among other things, approved additional horizontal wells within each of fifteen approximate 640-acre drilling and spacing units, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Section 15, Township 5 North, Range 62 West, 6<sup>th</sup> P.M. is subject to this Order for the Niobrara Formation.

On October 1, 2012, the Commission entered Order No. 407-711 which, among other things, affirmed Order Nos. 407-380 and 407-633 which established fifteen approximate 640-acre wellbore drilling and spacing units, and established field rules consistent with Order 407-633, for the production of oil, gas and associated hydrocarbons from horizontal wells to the Niobrara Formation. Section 15, Township 5 North, Range 62 West, 6<sup>th</sup> P.M. is subject to this Order for the Niobrara Formation.

On April 27, 1988, 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. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A was amended, among other things, 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,

among other things, to address drilling of horizontal wells. Section 15, Township 5 North, Range 62 West, 6<sup>th</sup> P.M. is subject to Rule 318A for the Niobrara Formation.

On January 21, 2013, Bonanza Creek Energy Operating Company LLC ("Bonanza" or "Applicant"), by its attorneys, filed with the Commission pursuant to §34-60-116 C.R.S., a verified application ("Application") for an order to: 1) vacate an approximate 640-acre drilling and spacing unit established by Order No. 407-380 for the below-described lands ("Application Lands"); 2) vacate Order No. 407-633 as to the Application Lands; and 3) and vacate Order No. 407-711 as to the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

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

Applicant further requests that upon vacating the approximate 640-acre drilling and spacing unit established by Order No. 407-380, the Application Lands will no longer be subject to a spacing order, and will revert to Rule 318A.

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado under §34-60-105 C.R.S.; 2) specific powers granted pursuant to §34-60-106 C.R.S.; 3) the State Administrative Procedure Act at §24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Monday, March 25, 2013  
Tuesday, March 26, 2013

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, Colorado 80203

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

**In accordance with Rule 509., any interested party desiring to protest the**

**granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than March 11, 2013, briefly stating the basis of the protest or intervention.** Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and 13 copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of March 11, 2013.** Pursuant to Rule 503.g., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules. In accordance with the practices of the Commission, should no protests or interventions be filed in this matter by **March 11, 2013, the Applicant may request that an administrative hearing be scheduled beginning March 11, 2013.** In the alternative, pursuant to Rule 511., if the matter is uncontested, the applicant may request, and the Director may recommend approval on the basis of the merits of the verified application and the supporting exhibits.

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

By: *Peter J. Gowen*  
*for* Robert J. Frick, Secretary

Dated: February 19, 2013

Colorado Oil and Gas Conservation  
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