

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-38
AN APPROXIMATE 640-ACRE DRILLING AND)	
SPACING UNIT ESTABLISHED BY ORDER)	
NOS. 407-380 AND 407-633 AND ESTABLISH)	
AN APPROXIMATE 640-ACRE DRILLING AND)	
SPACING UNIT FOR SECTION 17, TOWNSHIP)	
5 NORTH, RANGE 61 WEST, 6 TH 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 17, Township 5 North, Range 61 West, 6th 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 one or more 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 17, Township 5 North, Range 61 West, 6th 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 17, Township 5 North, Range 61 West, 6th P.M. is subject to Rule 318A for the Niobrara Formation.

On January 21, 2013 (amended February 20, 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 Nos. 407-380 and 407-633 for the below-described lands ("Application Lands"); and 2) establish an approximate 640-acre drilling and spacing unit for the Application Lands, and approve up to ten horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore in the Niobrara Formation no closer than 460 feet from the unit boundaries, and no closer than 150 feet from the treated interval of any other wellbore producing from the same source of supply, without exception being granted by the Director:

Township 5 North, Range 61 West, 6th P.M.
Section 17: All

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: _____


Robert J. Frick, Secretary

Dated: February 20, 2013

Colorado Oil and Gas Conservation
Commission
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