

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

IN THE MATTER OF THE APPLICATION OF BONANZA) CAUSE NO. 407
CREEK ENERGY OPERATING COMPANY LLC FOR)
AN ORDER TO VACATE ORDER NO. 407-535 WHICH) DOCKET NO. 1306-SP-88
ESTABLISHED AN APPROXIMATE 640-ACRE)
DRILLING AND SPACING UNIT FOR SECTION 11,)
TOWNSHIP 5 NORTH, RANGE 62 WEST, 6TH 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 May 24, 2011, Bonanza drilled the State Antelope 31-11HZ Well (API No. 05-123-33487), a horizontal well to the Niobrara Formation, on a 280-acre unit composed of the E½ less the SW¼ SE¼ of Section 11, Township 5 North, Range 62 West, 6th P.M. This was a "lease well" drilled entirely on Bonanza's leasehold with the State of Colorado, acting by and through the Board of Land Commissioners. Since the date of first production, the State Antelope 31-11HZ well has produced and royalties have been paid on production solely to the State of Colorado, as mineral owner under the 280-acre unit declared by Bonanza when it obtained its drilling permit.

On October 12, 2011, EOG Resources, Inc, by its attorneys, filed an application with the Commission to establish an approximate 640-acre drilling and spacing unit for Section 11, Township 5 North, Range 62 West, 6th P.M., and approve one horizontal well within the unit, to accommodate the Anschutz Windmill 2-11H Well. The EOG application did not reference the State Antelope 31-11HZ Well or the unit on which it was drilled.

On January 23, 2012, the Commission entered Order No. 407-535 which established an approximate 640-acre drilling and spacing unit, and approved one horizontal well within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Section 11, Township 5 North, Range 62 West, 6th P.M. is subject to this Order for the Niobrara Formation.

On April 17, 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 Order No. 407-535; and 2) revert the below-listed lands ("Application Lands") to be subject to Rule 318A:

Township 5 North, Range 62 West, 6th P.M.

Section 11: 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 Procedures Act at §24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2 CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Monday, June 17, 2013
Tuesday, June 18, 2013

Time: 9:00 a.m.

Place: Two Rivers Convention Center
159 Main Street
Grand Junction, Colorado 81501

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 June 3, 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. One electronic, one original and two 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 June 3, 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 **June 3, 2013, the Applicant may request that an administrative hearing be scheduled beginning June 3, 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: May 14, 2013

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