

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 POOL ALL NON- |) | DOCKET NO. 1307-UP-141 |
| CONSENTING OWNERS IN AN APPROXIMATE 640- |) | |
| ACRE DRILLING AND SPACING UNIT ESTABLISHED |) | |
| FOR SECTION 9, 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 9, 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 unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Section 9, 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 9, Township 5 North, Range 61 West, 6th P.M. is subject to Rule 318A for the Niobrara Formation.

On May 30, 2013, Bonanza Creek Energy Operating Company LLC ("Bonanza" or "Applicant"), by its attorneys, filed with the Commission pursuant to C.R.S. §34-60-116, a verified application ("Application") for an order to pool all non-consenting owners in an approximate 640-acre drilling and spacing unit established for the below-described lands ("Application Lands"), for the development and operation of the Niobrara Formation, effective as of the earlier of the date of the Application, or the date that any of the costs specified in C.R.S. §34-60-116(7)(b)(II) were first incurred for the drilling of the Pronghorn 41-11-9HZ Well (API No. 05-123-35010) ("Well"), and to subject any nonconsenting interests to the cost recovery provisions of C.R.S. §34-60-116(7):

Township 5 North, Range 61 West, 6th P.M.
Section 9: 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, July 29, 2013
Tuesday, July 30, 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 July 15, 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 (cogcc.hearings_unit@state.co.us), 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 July 15, 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 **July 15, 2013, the Applicant may request that an administrative hearing be scheduled beginning July 15, 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: June 28, 2013

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203
Website: <http://cogcc.state.co.us>
Phone: (303) 894-2100
Fax: (303) 894-2109

Attorneys for Bonanza:
Scott M. Campbell
Jeremy I. Ferrin
Poulson, Odell & Peterson, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
Phone: (303) 861-4400
Fax: (303) 861-1225
scampbell@popllc.com
jferrin@popllc.com