

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

IN THE MATTER OF THE PROMULGATION AND	)	CAUSE NO. 407
ESTABLISHMENT OF FIELD RULES TO GOVERN	)	
OPERATIONS FOR THE NIOBRARA FORMATION,	)	DOCKET NO. 151200693
WATTENBURG, WELD COUNTY, COLORADO	)	
	)	TYPE: POOLING

SECOND NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 6 North, Range 62 West, 6<sup>th</sup> P.M.  
Section 4: All  
Section 9: All

APPLICATION

On October 7, 2015, Bonanza Creek Operating Company LLC (Operator No. 8960) ("Bonanza" or "Applicant"), filed a verified application pursuant to §34-60-116, C.R.S. for an order to:

- 1) Apply the cost recovery provisions of C.R.S. § 34-6-116(7) to all non-consenting owners in the Whitetail 21-4-9XRLNB Well (API No. 05-123-41166) ("Well"), within an approximate 1280-acre drilling and spacing unit, with all interests in such 1280-acre drilling and spacing unit pooled in Order No. 407-1218, for the development of the Niobrara Formation.
- 2) Subject any non-consenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date that any of the costs specified in §34-60-116(7)(b), C.R.S. were first incurred for the drilling of the Well.

PRIOR RULES AND ORDERS

(available online at: <http://cogcc.state.co.us>, under "ORDERS")

- 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 recomplete 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.
- On October 31, 2011 (corrected January 10, 2012), the Commission entered Order No. 407-501, which, among other things, established twelve (12) approximate 640-acre drilling and spacing units for certain lands (including Section 4 of Application Lands) located in Townships 6 and 7 North, Ranges 61 and 62 West, 6th P.M., and approve one horizontal well within each unit.

- On April 4, 2011, the Commission entered Order No. 535-12, which, among other things, established an approximate 640-acre drilling and spacing unit for Section 9, Township 6 North, Range 62 West, 6th P.M., and approved one horizontal well within said unit, for the production of gas and associated hydrocarbons from the Niobrara Formation.
- On May 16, 2011, the Commission entered Order No. 535-15, which among other things, pooled all non-consenting interests in the approximate 640-acre drilling and spacing unit established for Section 9, Township 6 North, Range 62 West, 6th P.M., effective as of the spud date of the Degenhart 6-62 9-1H Well (API No. 05-123-32966), for the development and operation of the Niobrara Formation.
- On June 27, 2011, the Commission entered Order No. 535-37, which, among other things, established an approximate 640-acre drilling and spacing unit for Section 4, Township 6 North, Range 62 West, 6th P.M., and approved one horizontal well within the unit, for the production of gas and associated hydrocarbons from the Niobrara Formation.
- On August 8, 2011, the Commission entered Order No. 535-67, which, among other things, pooled all non-consenting interests in the approximate 640-acre drilling and spacing unit established for Section 4, Township 6 North, Range 62 West, 6th P.M. for the Hoff #6-62 4-1H Well, for the development and operation of the Niobrara Formation.
- On January 26, 2015, the Commission entered Order No. 407-1217, which, among other things, approved Bonanza Creek Energy Operating Company's request for an order to among other things: 1) Maintain an approximate 640-acre drilling and spacing unit established by Order No. 535-12 for Section 9, Township 6 North, Range 62 West, 6th P.M., for the existing production of gas and associated hydrocarbons from the Niobrara Formation. 2) Vacate an approximate 640-acre drilling and spacing unit established by Order No. 535-37 for Section 4, Township 6 North, Range 62 West, 6th P.M., for the production of gas and associated hydrocarbons from the Niobrara Formation. 3) Vacate Order No. 535-67, which pooled all non-consenting interests in an approximate 640-acre drilling and spacing unit established for Section 4, Township 6 North, Range 62 West, 6th P.M., for the development and operation of the Niobrara Formation. 4) Establish an approximate 1280-acre drilling and spacing unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations; 5) Approve up to eight horizontal wells within the unit.
- On January 26, 2015, the Commission entered Order No. 407-1218, which, among other things, pooled all interests in an approximate 1280-acre drilling and spacing unit established for the Application Lands, for the development and operation of the Codell and Niobrara Formations. Applicant seeks to apply the cost recovery provisions of C.R.S. § 34-6-116(7) to all non-consenting owners previously pooled in Order No. 407-1218, as Order No. 407-1218 did not seek to apply cost recovery penalties against non-consenting owners.

NOTICE IS HEREBY GIVEN, pursuant to §§ 34-60-101 to -130, C.R.S. and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled this matter for hearing on:

Dates: January 26-27, 2016

Time: 9:00 a.m.

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

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately 3 days before the hearing.

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.

At hearing, the Commission will consider the Application and enter an order pursuant to its authority under the statute. **Any interested party desiring to protest or intervene should file with the Commission a written protest or intervention in accordance with Rule 509., no later than January 12, 2016.** 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 January 12, 2016.** Pursuant to Rule 511., if the matter is uncontested, it may be approved without a hearing.

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

By  \_\_\_\_\_  
Julie Murphy, Secretary

Dated: December 16, 2015

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