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 CODELL-NIOBRARA)	DOCKET NO. 170700514
FORMATION, WATTENBERG FIELD, WELD)	TVDE, CDACING
COUNTY, COLORADO)	TYPE: SPACING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 4 North, Range 63 West, 6th P.M.

Section 14: All Section 15: All

On May 25, 2017, Bonanza Creek Energy Operating Co., LLC (Operator No. 8960) ("Bonanza Creek" or "Applicant"), filed a verified application ("Application") pursuant to §34-60-116, C.R.S., for an order to:

- 1) Vacate the approximate 640-acre drilling and spacing unit established by Order No. 407-528 for Section 14, Township 4 North, Range 63 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations;
- 2) Vacate Order No. 407-876 which approved an additional eight horizontal wells, for a total of up to 10 horizontal wells, within the approximate 640-acre drilling and spacing unit established for Section 14, Township 4 North, Range 63 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations;
- 3) Vacate the portion of Order No. 407-1740 which approved an additional 10 horizontal wells, for a total of up to twenty horizontal wells, within the approximate 640-acre drilling and spacing unit established for Section 14, Township 4 North, Range 63 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations; and
- 4) Establish an approximate 1,280-acre drilling and spacing unit for the Application Lands, and approve up to 20 horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation, with the productive intervals of any horizontal well permitted under this Application located no closer than 460 feet from unit boundaries and not less than 150 feet from any other well drilling or producing from the Codell and Niobrara Formations, unless an exception is granted by the Director.
- 5) Applicant states that Any horizontal wells to be drilled under this Application for production from the Codell and Niobrara Formations will be drilled from the surface of the drilling unit, or on adjacent lands with consent of the landowner, from no more than four surface locations, subject to Rule 318A, unless an exception is granted by the Director.

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APPLICABLE ORDERS AND RULES

(available online at: http://cogcc.state.co.us, under "Regulation," then select "Orders" or "Rules")

- On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule.
- On December 12, 2011, the Commission entered Order No. 407-528 which, among other things, established an approximate 640-acre drilling and spacing unit for Section 14, Township 4 North, Range 63 West, 6th P.M., with authority to drill two horizontal wells within said unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- On October 28, 2013, the Commission entered Order No. 407-876 which, among other things, approved an additional eight horizontal wells, for a total of up to ten horizontal wells, within the approximate 640-acre drilling and spacing unit established for Section 14, Township 4 North, Range 63 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- On June 6, 2016, the Commission entered Order No. 407-1740 which, among other things, modified Order 407-876 to authorize an additional ten horizontal wells, for a total of up to twenty horizontal wells, within the approximate 640-acre drilling and spacing unit established for Section 14, Township 4 North, Range 63 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

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:

Date: July 24-25, 2017

Time: 9:00 a.m.

Place: Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801

Denver, CO 80126

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 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 accommodations 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 desired to protest or intervention should file with the Commission a written protest or intervention in accordance with Rule 509. no later than July 10, 2017. Such interested party shall, at the same time, serve a copy of the protest of 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 10, 2017. Pursuant to Rule 511., if the matter is contested, it may be approved without a hearing.

OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

Bv:

Peter Gowen, Acting Secretary

Dated: June 14, 2017

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

Website: http://cogcc.state.co.us

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