

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

IN THE MATTER OF THE APPLICATION OF BONANZA)
CREEK ENERGY OPERATING CO., LLC, FOR AN ORDER) CAUSE NO. 407
POOLING ALL INTERESTS WITHIN THE APPROXIMATE)
1,280-ACRE DRILLING AND SPACING UNIT) DOCKET NO. *To be assigned*
ESTABLISHED FOR SECTIONS 9 & 10, TOWNSHIP 3)
NORTH, RANGE 63 WEST, 6TH P.M., FOR DEVELOPMENT) TYPE: Pooling
AND OPERATION OF THE CODELL AND NIOBRARA)
FORMATIONS, AND AUTHORIZING COST RECOVERY)
AND RISK PENALTIES FROM CERTAIN)
NONCONSENTING OWNERS FOR THE LONGHORN V41-)
10-9XLRNB WELL LOCATED WITHIN THE UNIT,)
WATTENBERG FIELD, WELD COUNTY, COLORADO)

APPLICATION

Bonanza Creek Energy Operating Co., LLC (“Bonanza Creek” or “Applicant”), Operator #8960, by and through its below-signed attorneys, respectfully submits this application to the Oil and Gas Conservation Commission of the State of Colorado (“Commission” or “COGCC”) for an order pooling all interests within the approximate 1,280-acre drilling and spacing unit established for Sections 3 and 4, Township 3 North, Range 63 West, 6th P.M., for development and operation of the Codell and Niobrara Formations, and authorizing statutory cost recovery and risk penalties from certain nonconsenting owners for the Longhorn V41-10-9XLRNB well located within said unit. In support of this application (“Application”), Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado and has registered as an operator with the COGCC.
2. Applicant owns substantial leasehold interests in the below-listed lands (“Application Lands”):

Township 3 North, Range 63 West, 6th P.M.
Section 9: All
Section 10: All

An Application Map depicting the Application Lands is attached hereto and marked Exhibit A.

3. On June 12, 2017, the Commission issued Order No. 407-2072 which, among other things, established an approximate 1,280-acre drilling and spacing unit for the Application Lands, with authority to drill 20 horizontal wells within the unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.
4. On January 16, 2018, the Director issued an Application for Permit-to-Drill, Form 2, to Bonanza Creek for the Longhorn V41-10-9XLRNB well (“Well”), API No. 05-123-44703, a horizontal well planned for construction within for the Niobrara Formation.

5. Acting pursuant to relevant provisions of §34-60-116(6), C.R.S., Applicant seeks an order pooling all interests in the approximate 1,280-acre drilling and spacing unit established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, and authority from the Commission to recover costs and statutory risk penalties from certain nonconsenting owners for the drilling, completion and operation of the Well.

6. Rule 530. provides that an application for involuntary pooling may be filed at any time prior or after the drilling of a well, with any pooling order retroactive to the date the Application is filed with the Commission unless the payor agrees otherwise.

7. The Applicant will provide Rule 530. well proposal materials to putative nonconsenting owners within the approximate 1,280-acre drilling and spacing unit established for the Application Lands, and allow those owners at least 35 days to make an election as to their participation in the drilling of the Well, or leasing their interests, if unleased.

8. Acting pursuant to §34-60-116(6) & (7), C.R.S., and Rule 530., Applicant hereby seeks an order authorizing statutory cost recovery and risk penalties, associated with the drilling, completion and operation of the Well, from interests belonging to any nonconsenting owners, for the development and operation of the Codell-Niobrara Formation.

9. The granting of this Application is in accord with the Oil and Gas Conservation Act found at §34-60-101, *et seq.*, C.R.S., and the COGCC rules.

10. Applicant requests that relief granted as result of this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by the oral order of the Commission.

11. That the names and addresses of interested parties (those persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant will be set forth in Exhibit B and submitted with a certificate of service for the Application within seven days as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests this matter be set for hearing, notice be given as required by law, and that upon such hearing the Commission enter its order:

A. Pooling all interests in the approximate 1,280-acre drilling and spacing unit established for the Application Lands, for development and operation of the Codell and Niobrara Formations, with the pooling order effective as of the date of the Application.

B. Providing that the interests of any owners, with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Well, for production of oil, gas and associated hydrocarbons from the Niobrara Formation, having been pooled by operation of statute, pursuant to §34-60-116(6) & (7), C.R.S., are made subject to cost recovery and risk penalties provided therein.

C. For such other findings and orders as the Commission may deem proper or advisable given the premises.

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DATED this 18th day of January, 2018.

Respectfully submitted,

BONANZA CREEK ENERGY OPERATING CO., LLC

By: *Robert A. Willis*
Robert A. Willis (Colorado Bar #26308)
The Shanor Group LLC
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Denver, CO 80202
(303) 995-5120

Applicant's Address:
Bonanza Creek Energy Operating Co., LLC
410 Seventeenth St., Suite 1400
Denver, CO 80202

VERIFICATION

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

Maxwell Faith, Land Manager for Bonanza Creek Energy Operating Co., LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

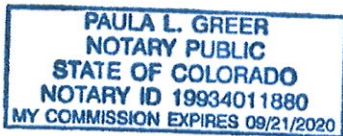
BONANZA CREEK ENERGY OPERATING CO., LLC

Maxwell Faith
Maxwell Faith

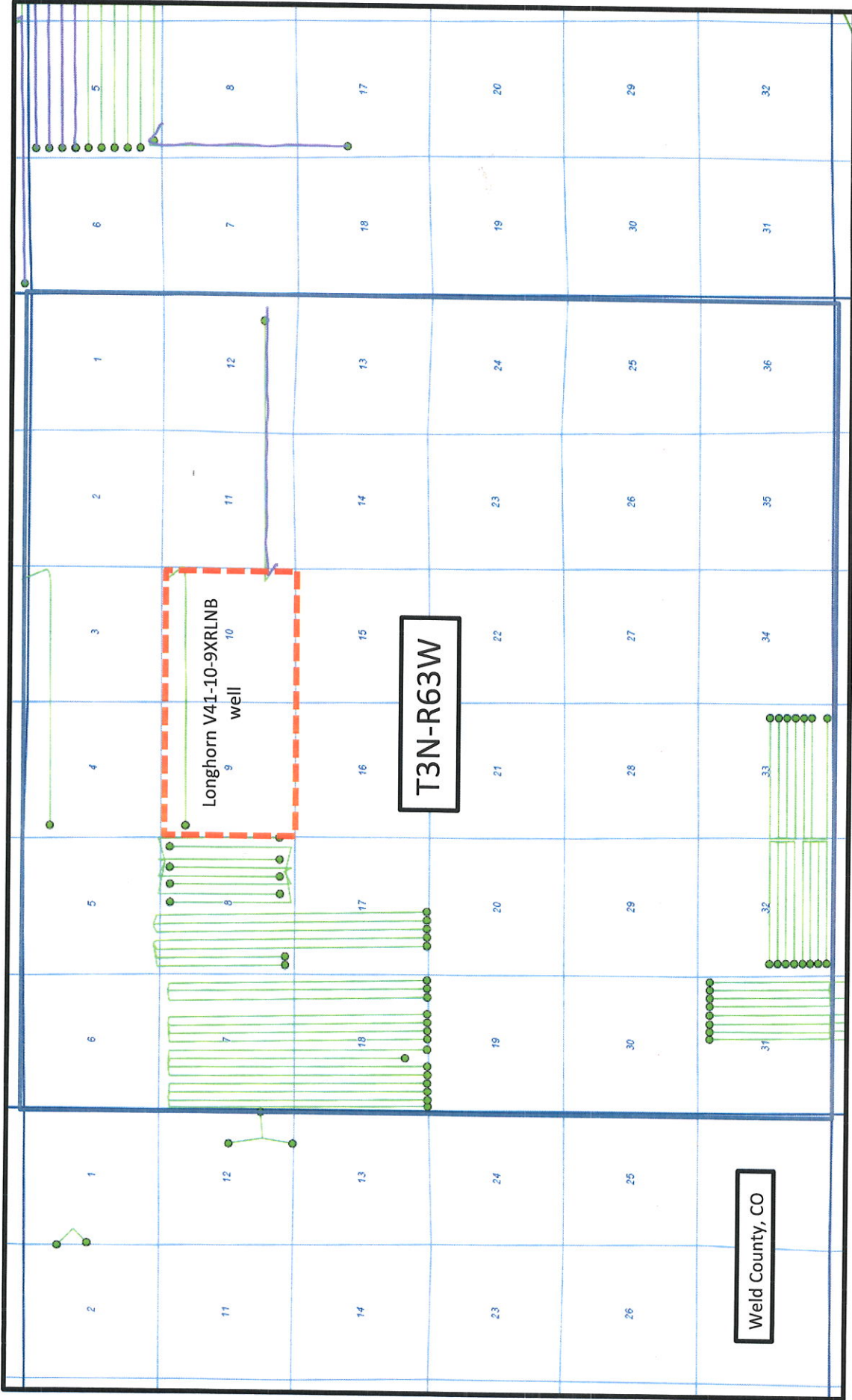
Subscribed and sworn to before me this 18th day of January, 2018, by Maxwell Faith, Land Manager for Bonanza Creek Energy Operating Co., LLC.

Witness my hand and official seal.

My commission expires: 9/21/2020



Paula L. Greer
Notary Public



Application Lands

Exhibit A

EXHIBIT B

INTERESTED PARTIES

Robert Willis, Esq.
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Denver, CO 80202

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