

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)
640-ACRE DRILLING AND SPACING UNIT ESTABLISHED) DOCKET NO. *To be assigned*
FOR SECTION 23, TOWNSHIP 5 NORTH, RANGE 63 WEST,)
6TH P.M., FOR DEVELOPMENT AND OPERATION OF THE) TYPE: Pooling
CODELL-NIOBRARA FORMATION, AND AUTHORIZING)
COST RECOVERY AND RISK PENALTIES FROM CERTAIN)
NONCONSENTING OWNERS FOR CERTAIN WELLS)
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 640-acre drilling and spacing unit established for Section 23, Township 5 North, Range 63 West, 6th P.M., for development and operation of the Codell-Niobrara Formation, and authorizing statutory cost recovery and risk penalties from certain nonconsenting owners for certain wells 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 5 North, Range 63 West, 6th P.M.
Section 23: All

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

3. On October 24, 2016, the Commission issued Order No. 407-1793 which, among other things, established an approximate 640-acre drilling and spacing unit for the Application Lands, with authority to drill 11 horizontal wells within the unit, for production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation.

4. On March 17, 2017, the Director issued an Application for Permit-to-Drill (“APD”), Form 2, to Bonanza Creek for the North Platte J14-F11-23HC well, API No. 05-123-44434, a horizontal well planned for construction within for the Codell Formation.

5. On March 17, 2017, the Director issued an APD to Bonanza Creek for the North Platte J-F-23HNB well, API No. 05-123-44436, a horizontal well planned for construction within for the Niobrara Formation.

6. On March 17, 2017, the Director issued an APD to Bonanza Creek for the North Platte O24-K21-23HNB well, API No. 05-123-44437, a horizontal well planned for construction within for the Niobrara Formation.

7. On March 17, 2017, the Director issued an APD to Bonanza Creek for the North Platte 24-21-23HNC well, API No. 05-123-44438, a horizontal well planned for construction within for the Niobrara Formation.

8. On July 19, 2017, the Director issued an APD to Bonanza Creek for the North Platte E14-A11-23HNB well, API No. 05-123-45097, a horizontal well planned for construction within for the Niobrara Formation.

9. APD's for those wells described in Paragraphs 4 thru 8, above, were issued by the Director under the authority of Order No. 407-1793 and are hereinafter referred to collectively as the "Wells".

10. Acting pursuant to relevant provisions of §34-60-116(6), C.R.S., Applicant seeks an order pooling all interests in the approximate 640-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 Wells.

11. 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.

12. The Applicant will provide Rule 530. well election materials to putative nonconsenting owners within the approximate 640-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 Wells, or leasing their interests, if unleased.

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

14. 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.

15. 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.

16. 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 640-acre drilling and spacing unit established for the Application Lands, for development and operation of the Codell-Niobrara Formation, 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 Wells, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, 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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EXHIBIT B

INTERESTED PARTIES

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WELD COUNTY, COLORADO)

CERTIFICATE OF MAILING

I, Robert Willis, hereby certify that on the 21st day of February, 2018, I caused a copy of the Application in the above referenced Docket Number to be deposited in the U.S. Mail, postage prepaid, addressed to the parties listed on Exhibit B of the Application.

DATED this 21st day of February, 2018.



Robert Willis
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