

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
ESTABLISHING AN APPROXIMATE 1,280-ACRE)
DRILLING AND SPACING UNIT FOR SECTIONS 9 & 16,) DOCKET NO. *To be assigned*
TOWNSHIP 6 NORTH, RANGE 61 WEST, 6TH P.M., AND)
AUTHORIZING THE DRILLING OF TWELVE) TYPE: Spacing
HORIZONTAL WELLS WITHIN SAID UNIT, FOR)
PRODUCTION FROM THE CODELL AND NIOBRARA)
FORMATIONS, 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: (1) vacating the approximate 640-acre drilling and spacing unit established for Section 16, Township 6 North, Range 61 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Niobrara Formation, (2) establishing an approximate 1,280-acre drilling and spacing unit for Sections 9 and 16, Township 6 North, Range 61 West, 6th P.M., and authorizing the drilling of twelve (12) horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and (3) maintaining allocation of proceeds for any existing wells located within the approximate 640-acre unit area for said Section 16 drilled and producing from the Niobrara Formation. 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 6 North, Range 61 West, 6th P.M.
Section 9: All
Section 16: All

The Application Lands comprise 1,280 acres, more or less, and are depicted on the Application Map, Exhibit A, attached hereto.

3. 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. The Application Lands are subject to Rule 318A for the Codell and Niobrara Formations, where the Codell and Niobrara Formation constitute a common source of supply.

4. On April 16, 2012, the Commission issued Order No. 407-583 which, among other things, established an approximate 640-acre drilling and spacing unit for Section 16, Township 6 North, Range 61 West, 6th P.M., and authorized the drilling of four (4) horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of any permitted wellbore to be located no closer than 460 feet from unit boundaries.

Vacating the approximate 640-acre drilling and spacing unit for Section 16, Township 6 North, Range 61 West, 6th P.M., for production from the Niobrara Formation

5. Applicant herein requests the approximate 640-acre drilling and spacing unit established for Section 16, Township 6 North, Range 61 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Niobrara Formation, be vacated. By vacating this unit, Applicant will herein propose the establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands, and authority to drill twelve (12) horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations. This proposed development plan will allow the drilling of twelve (12) two-mile laterals running north-to-south or south-to-north within the proposed unit, thereby preventing waste while protecting correlative rights within, and adjacent to, the proposed unit area.

Establishing an approximate 1,280-acre drilling and spacing unit for the Application Lands, for production from the Codell and Niobrara Formations

6. Applicant herein seeks the establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands, and the authority to drill twelve (12) horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations. The establishment of the drilling and spacing unit is not smaller than the area which can be efficiently and economically drained by the drilling of the requested horizontal wells to be drilled within said unit.

7. Applicant herein requests the treated intervals of any horizontal well permitted under this Application should be located not less than 460 feet from unit boundaries and not less than 150 feet from any other well producing or drilling from the Codell or Niobrara Formation, without exception being granted by the Director.

8. Further, Applicant herein requests any permitted wells drilled under this Application should be located on no more than four multi-well pads within the drilling and spacing unit from Rule 318A drilling windows or on lands outside the windows with surface owner consent, or on adjacent lands with surface owner consent, without exception being granted by the Director.

Maintaining allocation of proceeds for existing wells within the proposed unit area and producing from the Codell and/or Niobrara Formations

9. Bonanza Creek presently operates the Mule Deer 6-61-16 4H well (API #05-123-35543), a horizontal well with its bottomhole located in the SE¹/₄ SE¹/₄ of Section 16, Township 6 North, Range 61 West, 6th P.M., and allocates production on a 640-acre unit basis established by Order No. 407-583 for said Section 16, for production of oil, gas and associated hydrocarbons from the Niobrara Formation.

10. Applicant requests that allocation of proceeds from the Mule Deer 6-61-16 4H well be maintained and unaltered by the approved Application, for production of oil, gas and associated hydrocarbons from the Codell and/or Niobrara Formations. Further, Applicant requests the aforementioned well not count against proposed well density for an approved Application, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

* * *

11. 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.

12. 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.

13. That the names and addresses of interested parties (owners within the Application Lands) according to the information and belief of the Applicant are set forth in Exhibit B attached hereto. The Applicant shall submit a certificate of service for the Application by September 6, 2018, conforming with the Rule 503.e. by serving on interested parties within 7 days of the August 30 application deadline fixed by COGCC staff for the upcoming October 29-30 Commission hearing.

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. Vacating the approximate 640-acre drilling and spacing unit established for Section 16, Township 6 North, Range 61 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Niobrara Formation.

B. Establishing an approximate 1,280-acre drilling and spacing unit for the Application Lands, and authorizing the drilling of twelve (12) horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, with the treated intervals of any horizontal well permitted under this Application located not less than 460 feet from unit boundaries and not less than 150 feet from any other well producing or drilling from the Codell or Niobrara Formation, without exception being granted by the Director.

C. Limiting the drilling of any permitted wells under this Application to no more than four multi-well pads within the drilling and spacing unit from Rule 318A drilling windows or on lands outside the windows with surface owner consent, or on adjacent lands with surface owner consent, without exception being granted by the Director.

D. Maintaining allocation of proceeds for the Mule Deer 6-61-16 4H well located within the approximate 640-acre unit area established for Section 16, Township 6 North, Range 61 West, 6th P.M., drilled and producing from the Niobrara Formation.

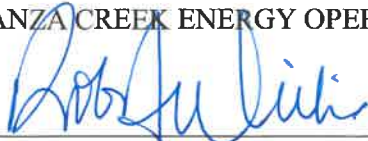
E. For such other findings and orders as the Commission may deem proper or advisable given the premises.

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DATED this 4th day of September, 2018.

Respectfully submitted,

BONANZA CREEK ENERGY OPERATING CO., LLC

By: 

Robert A. Willis (Colorado Bar #26308)
Poulson, Odell & Peterson, LLC
1775 Sherman Street, Suite 1400
Denver, CO 80203
(303) 861-4400 (main)
(303) 264-4418 (direct)
(303) 995-5120 (cell)

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.

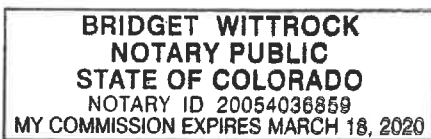
BONANZA CREEK ENERGY OPERATING CO., LLC


Maxwell Faith

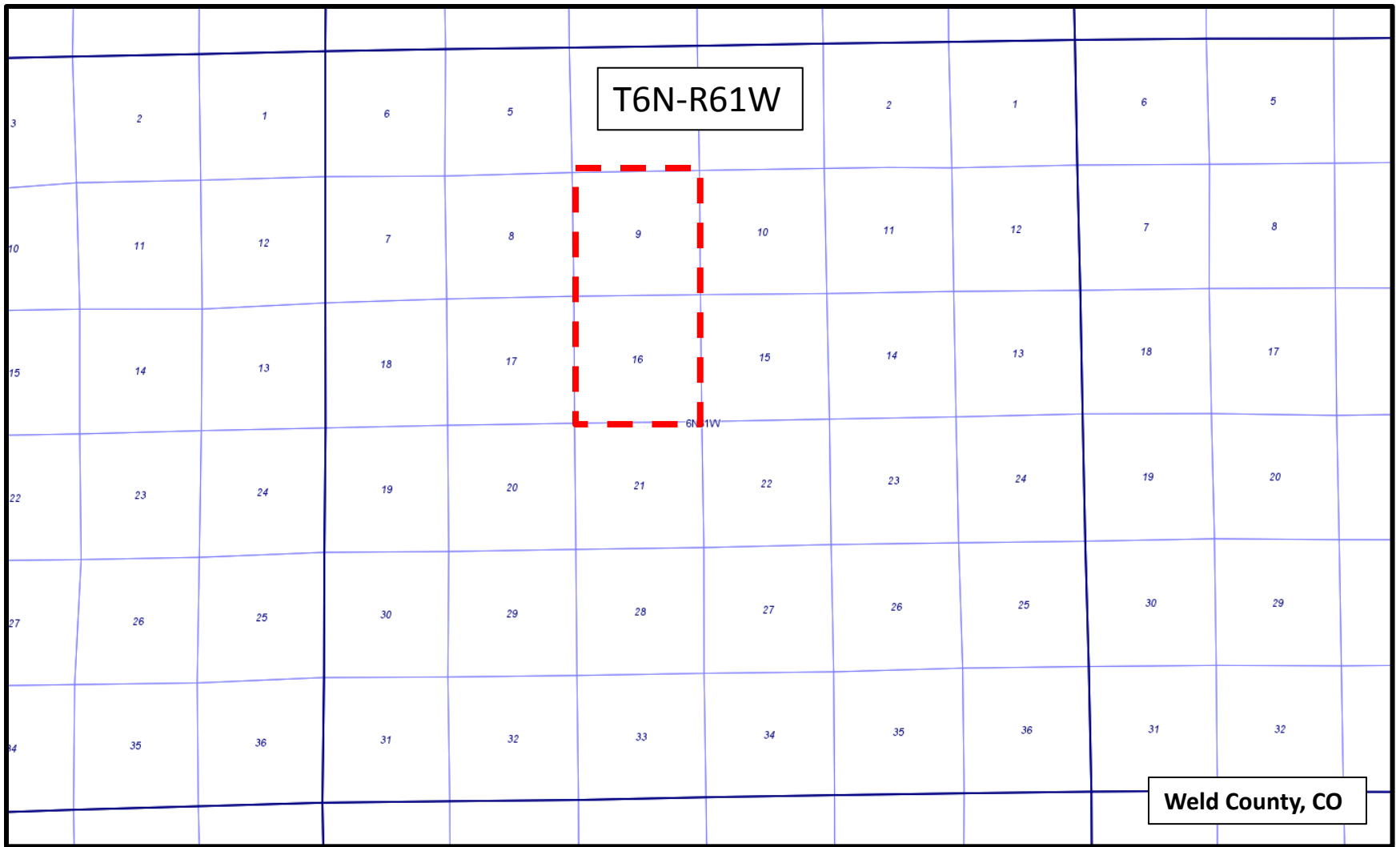
Subscribed and sworn to before me this 4th day of September, 2018, by Maxwell Faith, Land Manager for Bonanza Creek Energy Operating Co., LLC.

Witness my hand and official seal.

My commission expires: 03-18-2020




Notary Public



Drilling and Spacing Unit Application
Township 6 North, Range 61 West

Section 9: ALL
 Section 16: ALL



Subject Lands

Exhibit A


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
ESTABLISHING AN APPROXIMATE 1,280-ACRE)
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PRODUCTION FROM THE CODELL AND NIOBRARA)
FORMATIONS, WATTENBERG FIELD, WELD COUNTY,)
COLORADO)

CERTIFICATE OF MAILING

I, Bridget Wittrock, hereby certify that on the 6th day of September, 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 attached hereto.

DATED this 6th day of September, 2018.



Bridget Wittrock
Poulson, Odell & Peterson, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203

EXHIBIT B

INTERESTED PARTIES

Bonanza Creek Energy Operating
Company, LLC
410 17th Street, Suite 1400
Denver, CO 80202
181000872

Karl A. Glastad
8 Sunset Trail
Heath, TX 75032
181000872

Leonard B. Kacher and Phyllis O.
Kacher, as Joint Tennants
3652 Hilo Pl.
Honolulu, HI 96816
181000872

Johnson Holdings, LLC
221 2nd. Ave. NE
Kulm, ND58456
181000872

Edward H. Sonn 1997 Revocable
Trust, Edward H. Sonn, Trustee
57 Woodland Rd
Carlisle, MA 1741
181000872

Juan E. Aguilar
4301 Denver St.
Evans, CO 80620
181000872

Advanta IRA Trust, LLC, FBO
Linda Holmes #6558401
1520 Royal Palm Springs Blvd.
Fort Myers, FL 33919
181000872

Advanta IRA Trust, LLC, FBO
Scott Graham #6558401
1520 Royal Palm Springs Blvd.
Fort Myers, FL 33919
181000872

Donald W. Long and Dorothy M. Long
8001 New Jersey Ave.
Wildwood Crest, NJ 8260
181000872

HighPoint Operating Corp.
1099 18th Street, Suite 2300
Denver, CO 80202
181000872

Carl Family Trust, Carl Schenck, Trustee
1200 Marine Way Unit 303 B
North Palm Beach, FL 33408
181000872

Gregory A. Holton and Victoria M.
Holton, husband and wife
187 Chuniloti Way
Loudon, TN 37774
181000872

John Langley
64 Yorkshire Dr.
New Orleans, LA 70131
181000872

Jack E. Earnest
5945 Shady River Dr.
Houston, TX 77057
181000872

Thomas J. Buckley
2310 Royal Oaks Dr.
Mansfield, TX 76063
181000872

LeLand Miller
480 Horsehunter Ln.
Macon, MS 33919
181000872

IRA Resources Trust FBO Roger P.
Lundberg, IRA # 35-34717
6825 LaJolla Blvd.
LaJolla, CA 92037
181000872

Hat Creek Royalty, LTD
P.O. Box 11115
Midland, TX 79702
181000872

Acme Oil Corporation, LLC
1051-D West Highway 34
Loveland, CO 80537
181000872

John H. Wenger
1170 N. Springbrook Rd.
Davis, IL 61019
181000872

Bernard Caputo
34 Woodcrest Rd.
Boxford, MA 1921
181000872

Scott L. Graham
8 White Rock Trail
Lucas, TX 75002
181000872

Steven B. Smith and Rebecca L.
Smith, husband and wife
8300 Hillendale Dr.
Plano TX 75025
181000872

W. Dulany Hill
12180 Willow Wind Ct.
Ellicott City, MD 21042
181000872

Mallett Family Limited Partnership
416 North Baylen St.
Pensacola, FL 32501
181000872

Lawrence D. Beck Trust dated
May 11, 2000 and The Wanda G.
Beck Trust dated May 11, 2000
P.O. Box 16940
Golden, CO 80402 181000872

Stratford Investments, LTD
P.O. Box 3240
Midland, TX 79708
181000872

Richard R. Rector, Sue C. Rector
5816 Wales Avenue
Fort Worth, TX 76133

181000872

Savageau, LLC
3415 S. Clayton Blvd.
Englewood, CO 80113

181000872

Mark Etzelmiller and Mary Etzelmiller
15257 Lisa Plz.
Omaha, NE 68959

181000872

Charles Fuller 2006 Trust,
Charles Fuller, Trustee
368 Pine St. Ste. 527
San Francisco, CA 94104
181000872

Domestic Royalty Properties, LLC
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Dallas, TX 75254

181000872

William G. Alberg
455 Sawmill Rd.
Hickman, NE 68327

181000872

Ervin L. Betts
42 Woods Grove Rd.
West Port, CT 60880

181000872

Wolf Resources Holdings I, LLC
621 17th St.
Denver, CO 80293
181000872

Kent Kuster
CDPHE
4300 Cherry Creek Dr. South
Denver, CO 80246-1530
181000872

Centennial Mineral Holdings, LLC
5950 Cedar Springs Rd., Suite 200
Dallas, TX 75235

181000872

Gene F. Lang & Company
P.O. Box 850
Parker, CO 80138

181000872

Ward J. Greisen
10501 O St.
Lincoln, NE 68137

181000872

Bambi Fernandez 2004 Trust
1637 Edmonton Ave.
SunnyVale, CA 94087

181000872

Arnold D. Gleit
4307 N. Ocean Blvd. Suite # 506 A
Boca Raton, FL 33431

181000872

Grant Avery
15542 Frontage Rd.
Plainfield, IL 60544

181000872

The Thomas and Heather Buckley Living
Trust dated August 23, 2012, Thomas J.
Buckley, Trustee
2310 Royal Oaks Dr.
Mansfield, TX 76063 181000872

Black Intervivos Trust dated January 21,
1976, by Mary Jane Black, Trustee
9300 Rives Ave.
Downey, CA 90240
181000872

Colo. Parks & Wildlife
Attn: Brandon Marette
6060 Broadway
Denver, CO 80216
181000872

KCS Investment Fund, LLC
240 Milwaukee St., Suite 200
Denver, CO 80206

181000872

Daniel P. Flannigan and Ann B. Flannigan
Trustees of the Daniel and Ann Flannigan
Family Trust
651 Orchard
Santa Barbara, CA 93108 181000872

Andrew L. Peabody
1124 Lower Woodville Rd.
Natchez, MS 39120

181000872

Mark Strader
13611 GreyStone Dr.
Dallas, TX 75244

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Dale E. Harlen
7005 Wagon Train Rd.
Hickman, NE 68372

181000872

James Hanson
223 W. Bolinger Rd.
Bucklin, KS 67834

181000872

James S. Witherell Trust, dated June 1
1997, James S. Witherell, Trustee
2610 Deep Cut Rd.
Woodstock, IL 60098
181000872

Troy Swain
Weld County
Dept. of Planning Services
1555 North 17th Ave.
Greeley, CO 80631 181000872