

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 23 & 26, ) DOCKET NO. *To be assigned*  
TOWNSHIP 1 NORTH, RANGE 64 WEST, 6<sup>TH</sup> P.M., AND )  
AUTHORIZING THE DRILLING OF SIXTEEN ) 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 establishing an approximate 1,280-acre drilling and spacing unit for Sections 23 and 26, Township 1 North, Range 64 West, 6<sup>th</sup> P.M., and authorizing the drilling of sixteen (16) horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations. 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 1 North, Range 64 West, 6<sup>th</sup> P.M.  
Section 23: All  
Section 26: 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. Applicant herein seeks the establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands, and the authority to drill sixteen (16) 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.

5. 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.

6. 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.

7. 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.

8. 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.

9. 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. Establishing an approximate 1,280-acre drilling and spacing unit for the Application Lands, and authorizing the drilling of sixteen (16) 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.

B. 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.

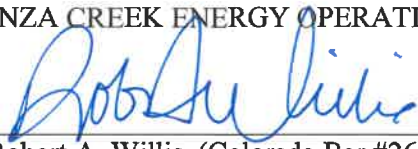
C. For such other findings and orders as the Commission may deem proper or advisable given the premises.

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DATED this 4<sup>th</sup> 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.

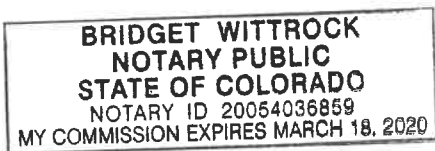
BONANZA CREEK ENERGY OPERATING CO., LLC

  
Maxwell Faith

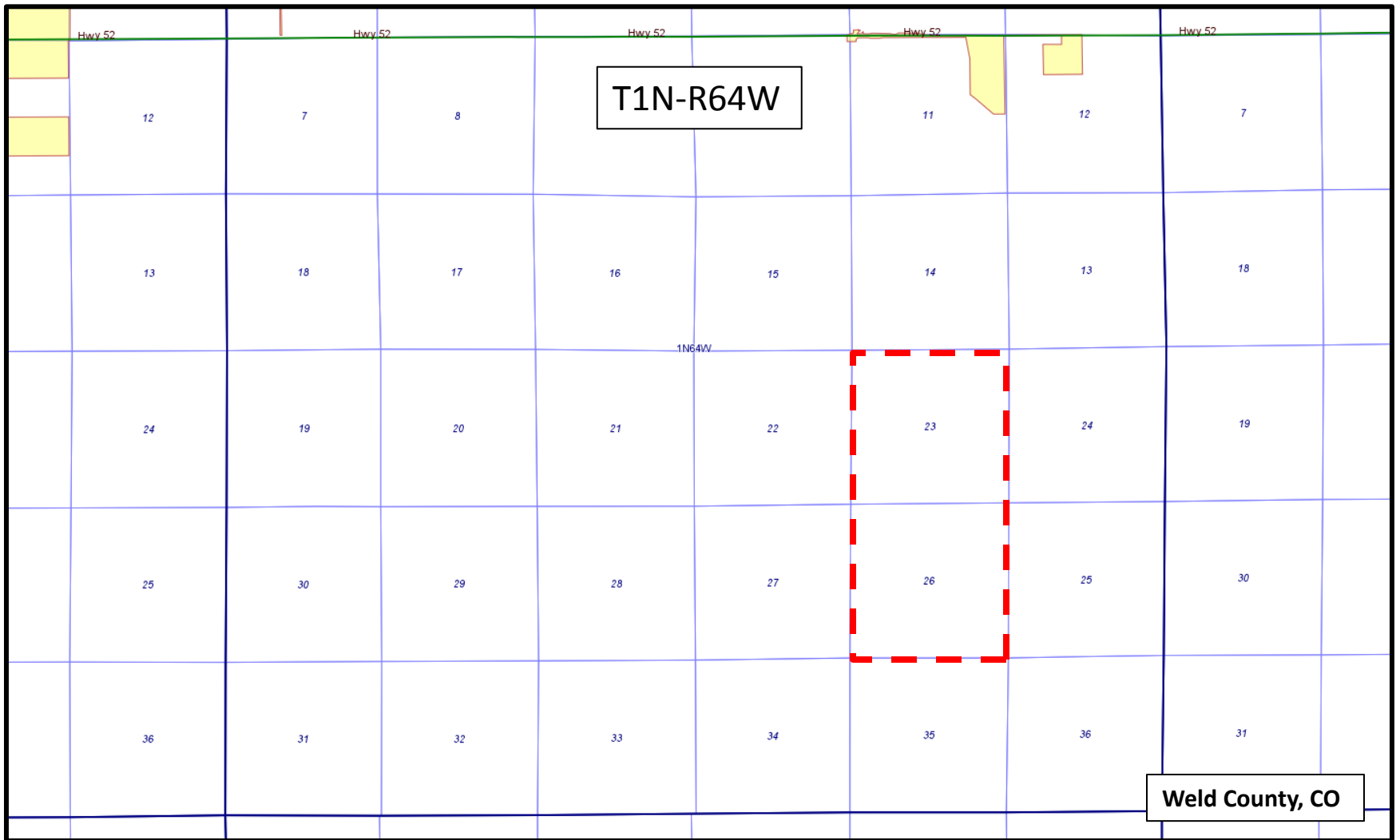
Subscribed and sworn to before me this 4<sup>th</sup> day of September, 2018, by Maxwell Faith, Land Manager for Bonanza Creek Energy Operating Co., LLC.

Witness my hand and official seal.

My commission expires: 03-18-2020



  
Notary Public



Drilling and Spacing Unit Application  
Township 1 North, Range 64 West

Section 23: ALL  
 Section 26: 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 )  
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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 7th day of September, 2018.



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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 17<sup>th</sup> Street, Suite 1400  
Denver, CO 80202  
181000877

Verdad Resources LLC  
5950 Cedar Springs Road, Suite 200  
Dallas, TX 75235  
181000877

Link Oil and Gas LLC  
2689 County Road 45  
Hudson, CO 80642  
181000877

Kevin Helzer  
49001 E. 144<sup>th</sup> Ave.  
Bennett, CO 80102  
181000877

Anadarko Land Corp.  
PO Box 173779  
Denver, CO 80213  
181000877

HRM Resources II, LLC  
410 17<sup>th</sup> Street, Suite 1600  
Denver, CO 80202  
181000877

HighPoint Operating Corp.  
1099 18<sup>th</sup> Street, Suite 2300  
Denver, CO 80202  
181000877

Kent Kuster  
CDPHE  
4300 Cherry Creek Dr. South  
Denver, CO 80246-1530  
181000877

Colo. Parks & Wildlife  
Attn: Brandon Marette  
6060 Broadway  
Denver, CO 80216  
181000877

Troy Swain  
Weld County  
Dept. of Planning Services  
1555 North 17th Ave.  
Greeley, CO 80631 181000877