

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 29 & 32, ) DOCKET NO. *To be assigned*  
TOWNSHIP 6 NORTH, RANGE 61 WEST, 6<sup>TH</sup> 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 two approximate 640-acre drilling and spacing units established for Sections 29 and 32, Township 6 North, Range 61 West, 6<sup>th</sup> P.M., for production of oil, gas and associated hydrocarbons from the Niobrara Formation, and (2) establishing an approximate 1,280-acre drilling and spacing unit for said Sections 29 and 32, 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. 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, 6<sup>th</sup> P.M.  
Section 29: All  
Section 32: 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 February 22, 2011, the Commission issued Order No. 407-779 which, among other things, established an approximate 640-acre drilling and spacing unit for Section 29, Township 6 North, Range 61 West, 6<sup>th</sup> P.M., and authorized the drilling of one (1) horizontal well within said unit, for production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the permitted wellbore to be located no closer than 460 feet from unit boundaries.

5. 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 32, Township 6 North, Range 61 West, 6<sup>th</sup> 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 two approximate 640-acre drilling and spacing units for the Application Lands, for production from the Niobrara Formation*

6. Applicant herein requests two approximate 640-acre drilling and spacing units established for the Application Lands, for production of oil, gas and associated hydrocarbons from the Niobrara Formation, be vacated. By vacating these units, 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*

7. 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.

8. 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.

9. 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.

\* \* \*

10. 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.

11. 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.

12. 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 two approximate 640-acre drilling and spacing units established for the Application Lands, for production of oil, gas and associated hydrocarbons from the Niobrara Formation.

B. Establishing an approximate 640-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.

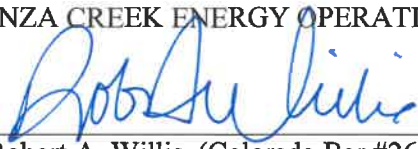
D. For such other findings and orders as the Commission may deem proper or advisable given the premises.

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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.

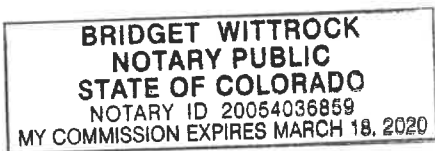
BONANZA CREEK ENERGY OPERATING CO., LLC

  
Maxwell Faith

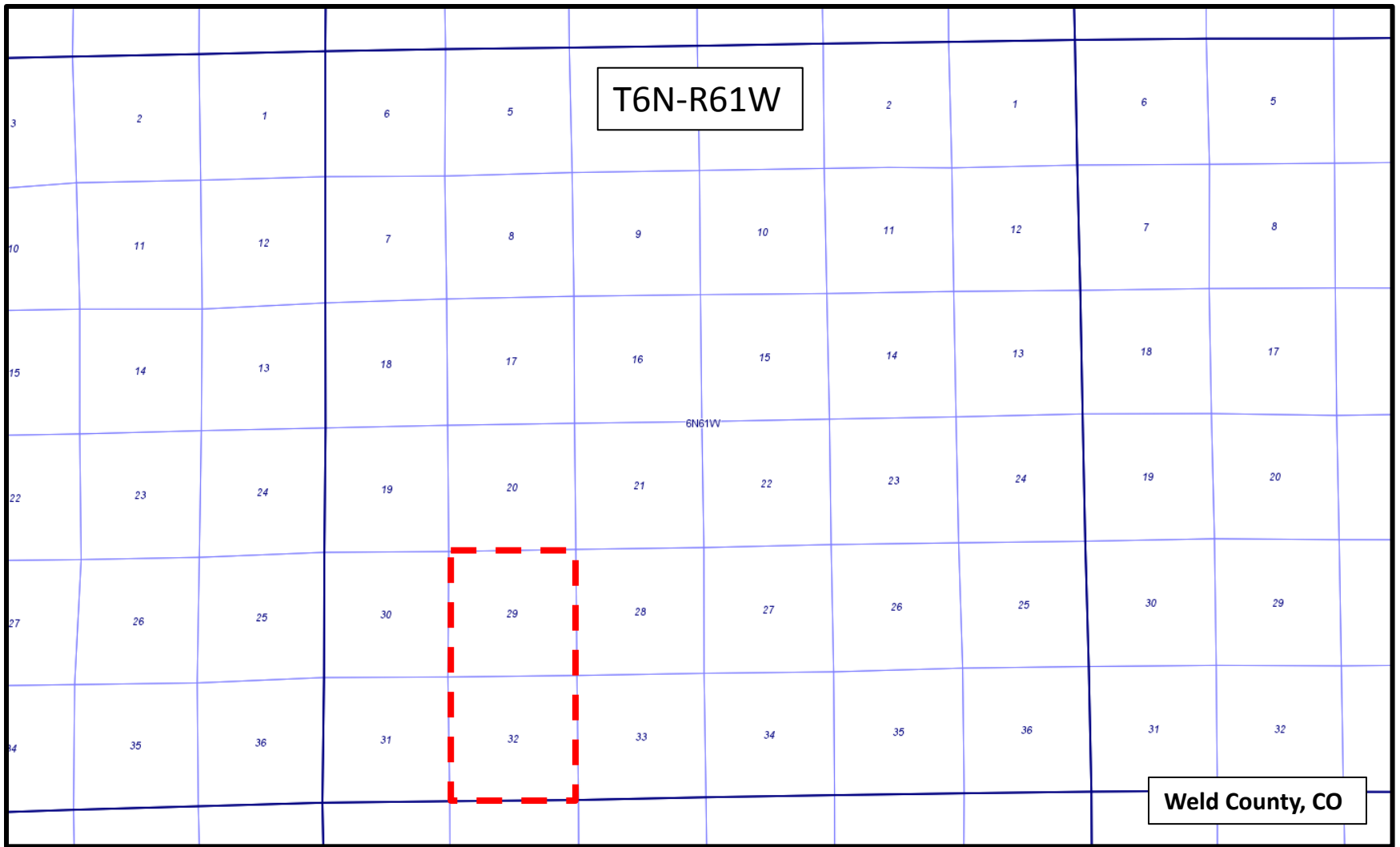
Subscribed and sworn to before me this 4<sup>th</sup> day of September, 2018, by Maxwell Faith, Land Manager for Bonanza Creek Energy Operating Co., LLC.

Witness my hand and official seal.

My commission expires: 03-18-2020



  
Notary Public



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

Section 29: ALL  
 Section 32: 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 )  
DRILLING AND SPACING UNIT FOR SECTIONS 29 & 32, ) DOCKET NO. 181000878  
TOWNSHIP 6 NORTH, RANGE 61 WEST, 6<sup>TH</sup> P.M., AND )  
AUTHORIZING THE DRILLING OF TWELVE ) TYPE: Spacing  
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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 7th 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 17<sup>th</sup> Street, Suite 1400  
Denver, CO 80202  
181000878

HighPoint Operating Corp.  
1099 18<sup>th</sup> Street, Suite 2300  
Denver, CO 80202  
181000878

Acme Oil Corporation, LLC  
1051-D West Highway 34  
Loveland, CO 80537  
181000878

Mekusukey Oil Company, LLC  
PO Box 816  
Wewoka, OK 74884  
181000878

Diamond Resources Co.  
PO Box 1938  
Williston, ND 58802-1938  
181000878

Red Hawk Petroleum, LLC  
4125 Blackhawk Plaza Cir., Ste 201A  
Danville, CA 94506  
181000878

Shirley Chandler Living Trust u/t/a  
dated October 10, 2005, Shirley  
Chandler as Trustee  
208 Ranch View Circle  
Palm Desert, CA 92211 181000878

Kimberly Jane Monkman  
591 Wildrose Circle  
Lynden, WA 98264  
181000878

JRH Energy, LLC  
6369 Coronado Ave.  
Dallas, TX 75214  
181000878

Marsha E Campbell, married woman  
PO Box 771163  
Steamboat Springs, CO 80477  
181000878

George Bender, single person,  
individually and as Trustee of the  
George Bender Family Trust  
27931 South San Nicholas Dr.  
Ranchos Palos Verdes, CA 90275

Teri J. Malmberg  
2715 Thunder Dr.  
Helena, MT 59601  
181000878

Brian D. Chapman  
1700 E. River Road #64401  
Tucson, AZ 85718  
181000878

Gail A. Chapman  
1012 Eubanks Avenue  
Bakersfield, CA 93307  
181000878

Carol M. Mahuex  
1612 Yfrella Avenue  
Simi Valley, CA 93065  
181000878

Irrevocable Trust for Virginia Cook  
Larson, Dated May 1, 2012  
c/o Michael J. Larson Trustee  
2640 Bennett Point Road  
Queenstown, MD 21658 181000878

Waggoner Family Trust DTD 12/31/89,  
John F. Waggoner, Trustee  
1148 A Upper Valley Rd.  
Lafayette, CA 94549-2841  
181000878

Walter Alan Rosenberg  
4545 Cobb Lake Dr.  
Fort Collins, CO 80524  
181000878

Ward J. Greisen  
10501 O St.  
Lincoln, NE 68502  
181000878

L & S Family, LP, a Colorado  
limited partnership  
800 US Highway 36  
Byers, CO 80103-9700  
181000878

Acoma Energy, LLC  
3801 E. Florida Ave., Suite 508  
Denver, CO 80210  
181000878

JRH Energy, LLC  
6939 Coronado Ave.  
Dallas TX 75214

181000878

Gail A. Chapman  
1012 Eubanks Avenue  
Bakersfield CA 93307

181000878

Kent Kuster  
CDPHE  
4300 Cherry Creek Dr. South  
Denver, CO 80246-1530  
181000878

Teri J. Malmberg  
2715 Thunder Drive  
Helena MT 59601

181000878

Carol M. Mahuex  
1612 Yfrella Avenue  
Simi Valley CA 93065

181000878

Colo. Parks & Wildlife  
Attn: Brandon Marette  
6060 Broadway  
Denver, CO 80216  
181000878

Brian D. Chapman  
1700 E. River Road #64401  
Tucson AZ 85718

181000878

Troy Swain  
Weld County  
Dept. of Planning Services  
1555 North 17th Ave.  
Greeley, CO 80631 181000878