

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

IN THE MATTER OF THE PROMULGATION AND ) CAUSE NO. 407  
ESTABLISHMENT OF FIELD RULES TO GOVERN )  
OPERATIONS FOR THE CODELL AND ) DOCKET NO. 181000870  
NIOBRARA FORMATIONS, WATTENBERG )  
FIELD, WELD COUNTY, COLORADO ) TYPE: ADDITIONAL WELLS

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 7 North, Range 62 West, 6<sup>th</sup> P.M.  
Section 31: All

On September 4, 2018, and amended on September 26, 2018, Bonanza Creek Energy Operating Co., LLC (Operator No. 8960) ("Bonanza Creek" or "Applicant"), filed a verified amended application ("Application") pursuant to §34-60-116, C.R.S., for an order to:

1) Modify the approximate 640-acre drilling and spacing unit established by Order No. 407-559 for the Application Lands, for production of oil, gas and associated hydrocarbons from the Niobrara Formation, to include production of oil, gas and associated hydrocarbons from the Codell Formation.

2) Increase the approved well density from four horizontal wells to 12 wells for the approximate 640-acre drilling and spacing unit established for the Application Lands, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, with any permitted well issued under the approved 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.

3) Limit the drilling of any permitted wells under this Application to no more than two multi-well pads located on no more than two 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.

4) Maintain existing allocation of proceeds for the Crow Valley 7-62-31 2H Well (API No. 05-123-35247), which produces from the Niobrara Formation, and include the Well in the well count for the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and include the Well (described below) in the well count for the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

**APPLICABLE ORDERS AND RULES**

(available online at: <http://cogcc.state.co.us>, under "Regulation," then select "Orders" or "Rules")

- 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-Niobrara Formation, where the Codell and Niobrara Formation constitute a common source of supply.
- On June 27, 2011, the Commission issued Order No. 407-559 which, among other things, established an approximate 640-acre drilling and spacing unit for the Application Lands, and authorized one horizontal well within the unit, for production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of any permitted to be located not less than 460 feet from unit boundaries, without exception from the Director, from surface locations consistent with Rule 318A drilling windows.
- On May 29, 2012, the Commission issued Order No. 407-642 which, among other things, increased authorized horizontal well density from one to four wells for the 640-acre drilling and spacing unit established for the Application Lands, for production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- Bonanza Creek presently operates the Crow Valley 7-62-31 2H well (API No. 05-123-35247) ("Well") a horizontal well located within the Application Lands and approved by Order No. 407-559, and allocates production on a 640-acre unit basis, having pooled all interests within the Application Lands, for development and operation of the Niobrara Formation and subjecting those interests of certain nonconsenting owners to recovery of §34-60-116(7), C.R.S., costs and statutory risk penalties. Bonanza Creek requests the Well be included in the well count for the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

NOTICE IS HEREBY GIVEN, pursuant to §§ 34-60-101 to -130, C.R.S. and the Commission's Rules of Practice and Procedure, 2 CCR 404-1, that the Commission has scheduled this matter for hearing on:

Date: December 17-18, 2018

Time: 9:00 a.m.


Place: Colorado Oil and Gas Conservation Commission  
The Chancery Building  
1120 Lincoln Street, Suite 801  
Denver, Colorado 80203

Additional information about the hearing on this Application will be in the Commission's Agenda, which is posted on the Commission website approximately three days before the hearing.

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

At hearing, the Commission will consider the Application and enter an order pursuant to its authority under the statute. **Any interested party desiring to protest or intervene should file with the Commission a written protest or intervention in accordance with Rule 509., no later than December 3, 2018.** Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. One electronic (cogcc.hearings\_unit@state.co.us), one original and two copies shall be filed with the Commission. **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of December 3, 2018, if a prehearing conference is requested by the Applicant, or any person who has filed a protest or intervention.** Pursuant to Rule 511., if the matter is uncontested, it may be approved without a hearing.

OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

By  \_\_\_\_\_  
Julie Spence Prine, Secretary

Dated: November 1, 2018

Colorado Oil and Gas Conservation Commission  
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