

BONANZA CREEK ENERGY, INC.

CORPORATE OFFICE
410 17th Street, Suite 1500
Denver, CO 80202
Office: (720) 279-2330
Fax: (720) 279-2331

MID-CONTINENT OFFICE
1331 Lamar Street, Suite 1135
Houston, TX 77010
Office: (713) 337-1250
Fax: (713) 337-1255

www.bonanzacrk.com

WESTERN REGION OFFICE
4900 California Ave, Suite 350B
Bakersfield, CA 93309
P.O. Box 21974
Bakersfield, CA 93390
Office: (661) 638-2730

March 28, 2011

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

Attn: Mr. David Neslin, Director

RE: Request to the Director for 318A.a Surface Location Exception (Outside 318A Drilling Window)

Niobrara Horizontal Wells New Drill

State Antelope 11-2HZ: NW/4 NW/4 (460' FNL, 460' FWL) Sec. 2, T5N, R62W, 6th PM, Weld County, Colorado

State Antelope 31-11HZ: NW/4 NE/4 (200' FNL, 2488' FEL) Sec. 11, T5N, R62W, 6th PM, Weld County, Colorado

State Antelope 11-13HZ: NW/4 NW/4 (460' FNL, 460' FWL) Sec. 13, T5N, R62W, 6th PM, Weld County, Colorado

Mr. Neslin:

Bonanza Creek Energy, Inc. ("Bonanza") intends to drill the above mentioned horizontal oil and gas wells to the Niobrara Formation from well pads to be located as described above. The proposed locations are being permitted as exception locations in order to maximize the length of the lateral component of each well within the desired producible zone, while maintaining appropriate setbacks of production zones from mineral lease lines. Bonanza has obtained written permission, in a waiver, from the surface owner.

Under Rule 318A, any new well to be located in the area defined by rule 318A shall be located within the prescribed "Greater Wattenberg Area Windows," unless the Director grants a Variance to rule 318A.a.

Thank you for your attention to this matter. Bonanza respectfully requests that the COGCC review the enclosed information and approve the exception location variance and Application for Permit to Drill the captioned well(s).

Sincerely,
BONANZA CREEK ENERGY, INC



Keith S. Caplan
Senior Operations Technician

enclosure