

Bonanza Creek Energy, Inc.
Form DEF 14A
April 27, 2016

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Bonanza Creek Energy, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
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April 27, 2016

Dear Stockholder:

You are cordially invited to join us for our 2016 Annual Meeting of Stockholders to be held on Monday, June 6, 2016 at 11:00 a.m. at 410 17th Street, Suite 220, Denver, Colorado 80202.

The materials following this letter include the formal Notice of Annual Meeting of Stockholders and the proxy statement. The proxy statement describes the business to be conducted at the meeting, including the election of two directors; the ratification of the appointment of Hein & Associates LLP as our independent auditors for the 2016 fiscal year; and the approval on a non-binding advisory basis of the 2015 compensation of our named executive officers.

Whether you own a few or many shares of our stock, it is important that your shares be represented. Regardless of whether you plan to attend the Annual Meeting in person, please take a moment now to vote your proxy by completing and signing the enclosed proxy card and promptly returning it in the envelope provided, or by granting a proxy and giving voting instructions by telephone or the internet. Instructions on how to vote your shares are located on your proxy card or on the voting instruction card provided by your broker.

The officers and directors of Bonanza Creek appreciate and encourage stockholder participation. We look forward to seeing you at the Annual Meeting.

Sincerely,

Richard J. Carty
President and Chief Executive Officer

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BONANZA CREEK ENERGY, INC.

410 17th Street
Suite 1400
Denver, Colorado 80202

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of Bonanza Creek Energy, Inc.:

Notice is hereby given that the Annual Meeting of Stockholders of Bonanza Creek Energy, Inc. (the "Company") will be held at 410 17th Street, Suite 220, Denver, Colorado 80202, on Monday, June 6, 2016, 11:00 a.m. local time (the "2016 Annual Meeting"). The 2016 Annual Meeting is being held for the following purposes:

- 1) To elect the Class I directors named in this proxy statement to our board of directors;
- 2) To ratify the selection of Hein & Associates LLP as the Company's independent registered public accountant for 2016;
- 3) To approve, on an advisory basis, the compensation of our named executive officers; and
- 4) To transact such other business as may properly come before the 2016 Annual Meeting.

These proposals are described in the accompanying proxy materials. You will be able to vote at the 2016 Annual Meeting only if you were a stockholder of record at the close of business on April 22, 2016.

By Order of the Board of Directors,

Cyrus D. Marter IV
Secretary

Denver, Colorado
April 27, 2016

YOUR VOTE IS IMPORTANT

Please sign, date and promptly return the enclosed proxy card in the envelope provided, or grant a proxy and give voting instructions by telephone or the internet, so that you may be represented at the 2016 Annual Meeting. Instructions are on your proxy card or on the voting instruction card provided by your broker.

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BONANZA CREEK ENERGY, INC.

**410 17th Street
Suite 1400
Denver, Colorado 80202**

**PROXY STATEMENT
2016 ANNUAL MEETING OF STOCKHOLDERS**

The Board of Directors (the "Board") of Bonanza Creek Energy, Inc. ("we," "us," "our," "Bonanza Creek" or the "Company") requests your proxy for the 2016 Annual Meeting of Stockholders (the "2016 Annual Meeting"), which will be held on Monday, June 6, 2016, 11:00 a.m. local time, at 410 17th Street, Suite 220, Denver, Colorado 80202. Distribution of these proxy solicitation materials is scheduled to begin on or about May 2, 2016. By granting the proxy, you authorize the persons named in the proxy to represent you and vote your shares at the 2016 Annual Meeting. Those persons will also be authorized to vote your shares to adjourn the 2016 Annual Meeting from time to time and to vote your shares at any adjournments or postponements of the 2016 Annual Meeting. If any other business properly comes before the stockholders for a vote at the 2016 Annual Meeting, your shares will be voted in accordance with the discretion of the holders of the proxy.

GENERAL INFORMATION

If you attend the 2016 Annual Meeting, you may vote in person. If you are not present at the 2016 Annual Meeting, your shares may be voted only by a person to whom you have given a proper proxy. You may revoke the proxy in writing at any time before it is exercised at the 2016 Annual Meeting by delivering to the Company's Secretary a written notice of the revocation, by submitting your vote electronically through the internet or by phone after the grant of the proxy or by signing and delivering to the Company's Secretary a proxy with a later date. Your attendance at the 2016 Annual Meeting will not revoke the proxy unless you give written notice of revocation to the Secretary of the Company before the proxy is exercised or unless you vote your shares in person at the 2016 Annual Meeting.

Stockholders of Record and Beneficial Owners

Most of the Company's stockholders hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

Stockholders of Record. If your shares are registered directly in your name with the Company's transfer agent, you are considered the stockholder of record with respect to those shares, and proxy materials are being sent by our transfer agent directly to you. As a stockholder of record, you have the right to vote by proxy or to vote in person at the 2016 Annual Meeting. The proxy materials include a proxy card for the 2016 Annual Meeting.

Beneficial Owners. If your shares are held in a brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in "street name," and proxy materials will be forwarded to you by your broker or nominee. The broker or nominee is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker how to vote. The proxy materials should include a proxy card or a voting instruction card for the 2016 Annual Meeting.

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Quorum and Voting

Voting Stock. The Company's common stock, par value \$0.001 per share, is the only class of securities that entitles holders to vote generally at meetings of the Company's stockholders. Each share of common stock outstanding on the record date is entitled to one vote.

Record Date. The record date for stockholders entitled to notice of and to vote at the 2016 Annual Meeting was the close of business on April 22, 2016. As of the record date, 49,621,879 shares of the Company's common stock were outstanding and are entitled to be voted at the 2016 Annual Meeting.

Quorum and Adjournments. The presence, in person or by proxy, of the holders of a majority of the outstanding shares entitled to vote at the 2016 Annual Meeting is necessary to constitute a quorum at the 2016 Annual Meeting.

If a quorum is not present, the chair of the meeting or a majority of the stockholders entitled to vote who are present in person or by proxy at the 2016 Annual Meeting have the power to adjourn the 2016 Annual Meeting from time to time, without notice other than an announcement at the 2016 Annual Meeting, until a quorum is present. At any adjourned 2016 Annual Meeting at which a quorum is present, any business may be transacted that might have been transacted at the 2016 Annual Meeting as originally notified.

Vote Required. The directors will be elected (Item One) by a plurality of the votes of the shares present, in person or by proxy, and entitled to vote on the election of the directors. Ratification of the selection of the Company's independent registered public accountant for 2016 (Item Two) and approval, on an advisory basis, of the compensation of the Company's named executive officers (Item Three) will require the affirmative vote of the holders of a majority of the shares present and entitled to vote with respect to the matter. An automated system will tabulate the votes cast by proxy for the 2016 Annual Meeting, and the inspector of elections will tabulate votes cast in person at the 2016 Annual Meeting. Brokers who hold shares in street name for customers are required to vote shares in accordance with instructions received from the beneficial owners. Brokers are permitted to vote on discretionary items if they have not received instructions from the beneficial owners, but they are not permitted to vote (a "broker non-vote") on non-discretionary items absent instructions from the beneficial owner. Non-discretionary items include the election of directors and approval, on an advisory basis of the compensation of the Company's named executive officers. For ratification of the selection of the Company's independent registered public accountant, brokers will have discretionary authority in the absence of timely instructions from their customers. Abstentions and broker non-votes will count in determining whether a quorum is present at the 2016 Annual Meeting. Broker non-votes will not have any effect on the outcome of voting on the director election or the advisory vote on compensation of our named executive officers. For purposes of voting on the ratification of the selection of the Company's independent registered public accountant for 2016 and the advisory vote on compensation of our named executive officers, abstentions will be included in the number of shares voting and will have the effect of a vote against the proposal.

Default Voting. A proxy that is properly completed and submitted will be voted at the 2016 Annual Meeting in accordance with the instructions on the proxy. If you properly complete and submit a proxy, but do not indicate any contrary voting instructions, your shares will be voted as follows:

FOR the nominees for Class I directors named in this proxy statement;

FOR the ratification of the selection of Hein & Associates LLP as the Company's independent registered public accountant for 2016; and

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FOR the approval (on an advisory basis) of the compensation of our named executive officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission (the "SEC").

If any other business properly comes before the stockholders for a vote at the meeting, your shares will be voted in accordance with the discretion of the holders of the proxy. The Board knows of no matters, other than those previously stated, to be presented for consideration at the 2016 Annual Meeting.

DIRECTORS AND EXECUTIVE OFFICERS

After the 2016 Annual Meeting, assuming the stockholders elect the nominees of the Board as set forth in "*Item One Election of Directors*" below, the Board will be, and, as of the date of this proxy statement, the executive officers of the Company are:

Name	Age	Title	Director Class
James A. Watt	66	Chairman of the Board	I
Marvin M. Chronister	65	Director	III
Kevin A. Neveu	55	Director	II
Gregory P. Raih	68	Director	I
Jeff E. Wojahn	53	Director	III
Richard J. Carty	47	Director, President and Chief Executive Officer	III
Anthony G. Buchanon	56	Executive Vice President and Chief Operating Officer	
Wade E. Jaques	43	Vice President and Chief Accounting Officer	

The Board has established the size of the Board at seven directors and the Board currently consists of six members with one vacancy. The Company's certificate of incorporation provides for the division of the Company's Board into three approximately equal classes. The current vacancy is in Class II. The term of office for the Class I directors will expire at the 2016 Annual Meeting; the term of office of Class II director will expire at the Annual Meeting of Stockholders to be held in 2017; and the term of office of the Class III directors will expire at the Annual Meeting of Stockholders to be held in 2018. Each Class I director elected at the 2016 Annual Meeting will serve a three-year term or until such director's successor is duly elected and qualified. At each succeeding annual meeting, directors elected to succeed those directors whose terms then expire will be elected for a full term of office to expire at the third succeeding annual meeting of stockholders after their election.

Set forth below is biographical information about the nominees for director.

James A. Watt was appointed to our Board in August 2012 and elected as Chairman effective November 11, 2014. Mr. Watt has served as President and Chief Executive Officer of Warren Resources, Inc., since November 2015. He served as director, President and Chief Executive Officer of Dune Energy, Inc. ("Dune") from April 2007 to July 2015. Dune Energy filed for Chapter 11 bankruptcy in March 2015 and wound-down its business in September 2015. Prior to joining Dune, Mr. Watt served as the Chief Executive Officer of Remington Oil and Gas Corporation ("Remington") from February 1998 and the Chairman of Remington from May 2003 until Helix Energy Solutions Group, Inc. ("Helix") acquired Remington in July 2006. From August 2006 through March 2007, he served as the Chairman and Chief Executive Officer of Maverick Oil & Gas, Inc. Mr. Watt currently serves on the board of directors of Helix where he also serves on the compensation and nominating and governance committees. He received a Bachelor of Science in Physics from Rensselaer Polytechnic Institute. We believe that Mr. Watt's qualification as an audit committee financial expert and his extensive experience in the oil and gas industry and board and executive leadership positions at other oil and gas companies bring important experience and industry expertise to our Board.

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Gregory P. Raih was elected as a member of our Board in November 2011. Mr. Raih has over 46 years of experience dealing with finance and accounting matters for public and private companies and extensive experience with companies in the oil and gas industry. Mr. Raih currently serves on the board of directors of (i) General Moly, Inc., a U.S.-based mineral company engaged in the exploration and development of molybdenum projects where he also serves on the audit, finance and governance and nominating committees and (ii) Jonah Energy LLC, a North American exploration and production company, where he also serves as Chairman of the audit committee. Additionally, Mr. Raih is a National Association of Corporate Director's Board Leadership Fellow. Mr. Raih is a certified public accountant and served as a partner at KPMG LLP from 2002 to 2008 and as a partner at Arthur Andersen LLP from 1981 to 2002. Mr. Raih has a degree in Accounting from the University of Notre Dame. Mr. Raih's qualifications as an audit committee financial expert provide an essential skill set relevant to his service on our Board and as the chairman of our Audit Committee.

Set forth below is biographical information about each of the Company's current directors and executive officers.

Richard J. Carty was elected as Chairman of the Board upon the Company's formation in 2010 and was appointed by the Board effective November 11, 2014 to serve as the Company's President and Chief Executive Officer at which time he stepped down as Chairman but remained a member of our Board. From 2009 to 2013, he served as President of West Face Capital (USA) Corp, an affiliate of West Face Capital, a Toronto-based investment management firm, and served on the boards of directors of portfolio companies. Prior to that period, Mr. Carty was a Managing Director of Morgan Stanley Principal Strategies where he was responsible for the Special Situations, Strategic Investments and Global Quantitative Equity investment teams. Prior to Mr. Carty's 14 years at Morgan Stanley, he was a partner at Gordon Capital Corp for five years. We believe Mr. Carty's in-depth engagement with the Company since its formation in 2010, his experience in finance, accounting, and risk management, experience managing significant capital resources as an institutional investor in the oil and gas industry and experience on the boards of public companies, bring substantial leadership and skills to our Board.

Marvin M. Chronister was elected to our Board in March 2011 and appointed by the Board on January 31, 2014 to serve as the Company's Interim President and Chief Executive Officer from January 31, 2014 through November 10, 2014. Mr. Chronister has over 36 years' experience in the oil and gas industry. From 2006 to the present, Mr. Chronister has been an independent investor, energy finance and operations consultant and owner of Enfield Companies. From 2004 until 2006, Mr. Chronister was the Financial Operations Practice Director of Jefferson Wells International, Inc. He served as Managing Director of Corporate Finance for Deloitte & Touche from 1990 to 2003, with previous positions in the oil and gas industry and investment banking. He has also served on several public and private company boards and held leadership positions with numerous industry organizations. Mr. Chronister holds a Bachelor of Business Administration degree from Stephen F. Austin State University and has attended multiple executive development programs. We believe Mr. Chronister's qualification as an audit committee financial expert and his extensive operations and strategic experience in the oil and gas industry, as well as his finance and accounting experience brings important and valuable skills to our Board.

Kevin A. Neveu was elected to our Board in March 2011. Mr. Neveu is the President and Chief Executive Officer and a director of Precision Drilling Corporation and has held these positions since joining the company in 2007. Mr. Neveu has 34 years of experience in the oilfield services sector holding technical, marketing, management and senior leadership positions over his career. Previously, Mr. Neveu was President of the Rig Solutions Group of National Oilwell Varco in Houston and has held senior management positions with it and its predecessor companies in London, Moscow, Houston, Edmonton and Calgary. Mr. Neveu currently serves on the board of directors of Finning International and is a former board member of Rig Net. He is also a member of the Advisory Board for The Heart and Stroke Foundation of Alberta and an advisor for the University of Calgary's School of Public Policy. Mr. Neveu is a director and member of the Executive Committee for the International Association of Drilling Contractors. Mr. Neveu holds a Bachelor of Science degree and is a graduate of the

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Faculty of Engineering at the University of Alberta, is a registered professional engineer in the province of Alberta, and has also completed the Harvard Advanced Management Program in Boston, Massachusetts. We believe Mr. Neveu's extensive experience in the oil and gas industry, as well as his experience on the boards of directors and serving as management of public energy companies, bring substantial leadership and experience to our Board.

Jeff E. Wojahn was elected as a member of our Board on November 10, 2014. Mr. Wojahn brings over 30 years of oil and gas industry experience to our Board. From 2003 to 2013, Mr. Wojahn served as Executive Vice President of EnCana Corporation and was President of Encana Oil & Gas (USA) Inc. from 2006 to 2013. Beginning in 1985, Mr. Wojahn held senior management and operational positions in Canada and the United States and has extensive experience in unconventional resource play development. He currently serves as a Strategic Advisory Board member for Morgan Stanley Energy Partners. We believe Mr. Wojahn's significant operational and development experience as an executive of other oil and gas companies brings essential skills and perspectives to our Board.

Anthony G. Buchanon was named Executive Vice President and Chief Operating Officer on August 12, 2013. He joined the Company in August 2012 as Vice President Rocky Mountain Engineering. He has more than 31 years of experience in exploration and production operations, including reservoir, completion and production engineering and unconventional oil and gas exploitation. Immediately prior to joining Bonanza Creek, he served as Production Operations Manager for Noble Energy, Inc. and was part of the Wattenberg Business Unit leadership team that was responsible for developing Noble's Wattenberg assets. Before that, he served in a variety of management level engineering and operations roles for companies such as Rosetta Resources Inc. (from 2008-2010), Burlington Resources Inc. (now ConocoPhillips) (from 2004-2008), Trend Exploration Company and Mobil Exploration and Production (now ExxonMobil Corporation). He holds a Bachelor of Science in Petroleum Engineering from Marietta College.

Wade E. Jaques serves as the Company's Vice President and Chief Accounting Officer. Mr. Jaques joined Bonanza Creek on December 8, 2010 as its Controller, was promoted to Chief Accounting Officer in September 2011 and was elected a Vice President in November 2012. Prior to joining Bonanza Creek, Mr. Jaques was the Controller and Assistant Corporate Secretary for Ellora Energy Inc., a Colorado based independent oil and gas company, from October 2005 until shortly after its merger with Exxon Mobil Corporation in August 2010. Prior to joining Ellora Energy, Mr. Jaques was an audit manager at Deloitte & Touche's Denver office serving oil and gas clients. Mr. Jaques holds both a Bachelor's and Master's degree in Accountancy from Utah State University and is a certified public accountant in Texas and Colorado.

CORPORATE GOVERNANCE

Our Company

Bonanza Creek Energy, Inc. is an independent energy company engaged in the acquisition, exploration, development and production of onshore oil and associated liquids-rich natural gas in the United States. Our oil and liquids-weighted assets are concentrated primarily in the Wattenberg Field in Colorado, which we have designated the Rocky Mountain region, and the Dorcheat Macedonia Field in southern Arkansas, which we have designated the Mid-Continent region. In addition, we own and operate oil producing assets in the North Park Basin in Colorado and the McKamie Patton Field in southern Arkansas. The Wattenberg Field is one of the premiere oil and natural gas resource plays in the United States benefiting from a low cost structure, strong production efficiencies, established reserves and prospective drilling opportunities, which allows for predictable production and reserve growth.

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Corporate Governance Guidelines

The Board believes that sound governance practices and policies provide an important framework to assist it in fulfilling its duty to stockholders. The Company's Corporate Governance Guidelines cover the following principal subjects:

- Qualifications and Responsibilities of Directors;
- Committees of the Board;
- Director Access to Management and Independent Advisors;
- Director Compensation;
- Director Orientation and Continuing Education;
- Chief Executive Officer Evaluation and Management Succession;
- Annual Performance Evaluations;
- The Company's Code of Business Conduct and Ethics;
- Term Limits for Directors; and
- Changed Circumstances of the Company's Directors.

Our Corporate Governance Guidelines, including a copy of the current "Code of Business Conduct and Ethics," are posted on our website at www.bonanzacrk.com. Our Corporate Governance Guidelines are reviewed annually and as necessary by our Nominating and Corporate Governance Committee, and any proposed additions to or amendments of the Corporate Governance Guidelines are presented to the Board for its approval.

The New York Stock Exchange (the "NYSE") has adopted rules that require listed companies to adopt governance guidelines covering certain matters. The Company believes our Corporate Governance Guidelines comply with the NYSE rules.

Board Leadership

Our Board has separated the Chairman and Chief Executive Officer roles. This leadership structure permits the Chief Executive Officer to focus his attention on managing our business and allows the Chairman to function as an important liaison between management and the Board, enhancing the ability of the Board to provide oversight of the Company's management and affairs. Our Chairman provides input to our Chief Executive Officer and is responsible for presiding over the meetings of the Board and executive sessions of the non-employee directors, which we expect will be held at every regularly scheduled Board meeting in 2016. Our Chief Executive Officer is responsible for setting the Company's strategic direction and for the day-to-day leadership performance of the Company. Based on the current circumstances and direction of the Company and the experienced membership of our Board, our Board believes that separate roles for our Chairman and our Chief Executive

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Officer, coupled with a majority of independent directors and strong corporate governance guidelines, is the most appropriate leadership structure for our Company and its stockholders at this time.

BONANZA CREEK ENERGY, INC 2016
Proxy Statement

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Communications with the Board

Stockholders or other interested parties can contact any director (including Mr. Watt, the Chairman of the Board), any committee of the Board, or our non-employee directors as a group, by writing to them at 410 17th Street, Suite 1400, Denver, Colorado 80202, Attention: Secretary. All such communications will be forwarded to the appropriate member(s) of the Board. Comments or concerns relating to the Company's accounting, internal accounting controls or auditing matters will be referred to members of the Audit Committee.

Director Independence

The Company's standards for determining director independence require the assessment of our directors' independence each year and periodically as circumstances change. A director cannot be considered independent unless the Board affirmatively determines that such director does not have any material relationship with the Company, including any of the relationships that would disqualify the director from being independent under the rules of the NYSE. The Board assesses the independence of each non-employee director and each non-employee nominee for director under the Company's guidelines and the independence standards of the NYSE and has determined that Messrs. Chronister, Neveu, Raih, Watt and Wojahn are independent. As the Company's President and Chief Executive Officer, Mr. Carty is not considered an independent director.

All members of the Company's Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee are considered independent, thus satisfying NYSE listing standards.

Director Qualifications

Our Board believes that individuals who serve as directors should have demonstrated notable or significant achievements in business, education or public service; should possess the requisite intelligence, education and experience to make a significant contribution to the Board and bring a range of skills, diverse perspectives and backgrounds to its deliberations; and should have the highest ethical standards, a strong sense of professionalism and intense dedication to serving the interests of the Company's stockholders. The following are qualifications, experience and skills for Board members which are important to the Company's business and its future:

Leadership Experience The Company seeks directors who demonstrate extraordinary leadership qualities. Strong leaders bring vision, strategic agility, diverse and global perspec