

# BONANZA CREEK ENERGY OPERATING CO., LLC

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ROCKY MOUNTAIN OFFICE  
410 17<sup>th</sup> Street, Suite 1380  
Denver, CO 80202  
Office: 720/279-2330  
Fax: 720/279-2331

March 8, 2010

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT**

Mr. Robert Lembke  
70 Ranch LLC  
5460 S. Quebec St., Ste 110  
Greenwood Village, CO 80111

Christopher G. Hayes  
The Hayes Law Firm LLC  
1580 Lincoln St., Suite 700  
Denver CO 80203

**RE: Notice Letter Prior to Commencement of Drilling Operations**  
Croissant 24-3 to be drilled in SE/4 SW/4 of Section 3, T-4N, R-63W,  
6<sup>th</sup> P.M., Weld County, Colorado

Dear 70 Ranch LLC:

Bonanza Creek Energy Operating, LLC ("Bonanza") intends to drill the above mentioned oil and gas well to be located as described above, on your property, which is subject to an oil and gas lease owned by Bonanza Creek Energy Operating Company, LLC.

The purpose of this letter is to provide you thirty (30) days written notice prior to the commencement of operations in accordance with the most recently adopted rules and regulations of the Colorado Oil and Gas Conservation Commission ("COGCC") and, specifically in accordance with COGCC's Rule 305, as amended. Concurrently, a posting of this written notice of intent to drill will be made on or near the property. As surface owner, you may waive this thirty (30) day notice and a form is enclosed for that purpose. COGCC's Rule 305.e states "it shall be the responsibility of the notified surface owner to give notice of the proposed operation to the tenant farmer, lessee or other party that may own or have an interest in any crops or surface improvements that could be affected by such proposed operation."

There is some information which the COGCC requires that we provide to you. We have excerpted the required information below, and after each paragraph of the applicable part of Rule 305(c), I have provided information or a comment.

c. Notice requirements. As to notices to be given pursuant to this Rule 305, included with each such notice shall be the following:

- (1) The estimated date that the operations for which notice is being given are to commence **on or after April 10, 2010.**

(2) The name of the operator and the name, address, and phone number of the individual representing the operator who can be contacted concerning the proposed operations.

**Bonanza Creek Energy Operating Company, LLC  
410 17<sup>th</sup> Street, Suite 1380  
Denver, CO 80202  
Operation Consultant: Kerry McCowen at 720-279-2330 ext 202**

(3) The legal description indicating the quarter quarter sections upon which the operations will be conducted.

**SE/4 SW/4 of Section 3,  
Township 4 North, Range 63 West, 6<sup>th</sup> P.M.,  
Weld County, Colorado**

(4) A statement that the surface owner has responsibility for notifying any affected tenant of the proposed operations.

**Please note that if you have any tenants it will be your responsibility to notify such tenants of the drilling.**

(5) With respect to the notices of drilling, the notice mailed or hand delivered to the surface owner shall also include a return addressed, postage prepaid postcard. However, instead of a postcard, enclosed is a form and a self addressed, postage prepaid envelope upon which surface owners may request their preference with respect to the consultation requirement under Rule 306, including the preference to appoint a tenant for consultation. If the surface owner appoints a tenant for consultation, that person's name, address, and telephone number must be provided to the operator by the surface owner on the enclosed form.

This form also provides you the opportunity to waive the thirty (30) day written notice requirement, in which case operations may commence as soon as the permit is issued and Bonanza has consulted with you regarding the location and size of the site upon which operations will be conducted. In any event, operations will commence within the next thirty (30) to one hundred eighty (180) days. **Please return this completed form as soon as possible.**

The location of the production facilities for "petroleum operations" including access roads, flow lines and gas pipelines, separator, treater, oil and water storage tanks ("tank battery"), etc. will be determined at a future date after consultation with you or your designated representative.

(6) A copy of the Commission's informational brochure for surface owners, containing the rules pertaining to notice of oil and gas operations and opportunities for consultation thereon, as well as the rules of procedure for filing complaints and making applications for hearing. The brochure shall provide contact information for the Commission's main office, field offices and website, and shall describe the services and information available to the public, including access to a listing of local governmental designees. The brochure shall contain a prominent disclaimer advising surface owners to obtain legal advice as may be appropriate to their particular circumstances.

**See enclosed brochure.**

Please contact Mr. Kerry McCowen, Bonanza's Operation Consultant at 720-279-2330 ext. 202 to set up a consultation meeting regarding both your crop plans and the drilling of the well.

We are looking forward to a mutually beneficial working relationship with you.

Sincerely,

**BONANZA CREEK ENERGY OPERATING COMPANY, LLC**



Kerry A. McCowen  
Vice President Rocky Mtn Operations

Enclosures

cc: Clerk to the Board of County Commissioners  
Monica Ward-Keller

**SURFACE OWNER'S RESPONSE LETTER**  
**Notice and Consultation**

**Proposed Drilling of the Croissant 24-3 Oil and Gas Well**

**Location:**  
**SE/4 SW/4 of Section 3, T4N, R63W;**  
**6<sup>th</sup> P.M., Weld County, Colorado**

Having reviewed Bonanza Creek Energy Operating Company, LLC's **Notice Letter Prior to Commencement of Drilling Operations** dated March 8, 2010, the undersigned Surface Owner, hereby makes the following responses to the issues of **Notice and Consultation**; to wit –

1. The undersigned Surface Owner, or its Designated Representative desires to be consulted with in regard to "petroleum production" operations for the above referenced well.

YES: \_\_\_\_\_ NO: \_\_\_\_\_

2. The undersigned Surface Owner, **70 Ranch, LLC** or its Designated Representative, agrees to **WAIVE** the minimum thirty (30) days written notice required by the Colorado Oil and Gas Conservation Commission ("COGCC").

YES: \_\_\_\_\_ NO: \_\_\_\_\_

Signed and Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**SURFACE OWNER or DESIGNATED REPRESENTATIVE:**

By \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**Designated Representative (if any)**

Designated Representative (Agent): \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: Home \_\_\_\_\_ Work \_\_\_\_\_