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01 August 2012

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

Attn: Tom Kerr, Acting Director

RE: Request to the Director for 318A(I).a Surface Location Exception (Outside 318A Drilling Window)
Request to the Director for 318A(I).c Twinning Location Exception
Wattenberg Area Multi-well Pad

Latham 14-12 Pad: SWSW Sec.12, T4N, R63W, 6th PM, Weld County, Colorado
Latham 14-12 (155' FSL 975' FWL), Latham 13-12 (155' FSL 990' FWL),
Latham 14-11-12HZ (155' FSL 1005' FWL)

Mr. Kerr:

Bonanza Creek Energy, Inc. ("Bonanza") intends to drill the above referenced oil and gas wells to the Niobrara-Codell Formation from a well pad to be located as described above. The proposed location is being permitted as an exception location in an effort to maximize the lateral length of the Horizontal Well (Niobrara only) located on the drilling pad. Bonanza Creek has obtained written permission in a waiver from the surface owner.

Additionally, under Rule 318A(I).c, any new twinning well is to be located within 50 feet of an existing well. Bonanza has obtained permission, contained in a waiver from the surface owner, to locate the proposed wellhead(s) greater than 50 feet from an existing well.

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.
BONANZA CREEK ENERGY OPERATING COMPANY, LLC.


Keith S. Caplan
Senior Regulatory Specialist

enclosure



**SURFACE OWNER'S LOCATION WAIVER
COGCC Rule 318A(I).a and 318A(I).c Exceptions**

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Latham 14-12 (155' FSL 975' FWL), Latham 13-12 (155' FSL 990' FWL),
Latham 14-11-12HZ (155' FSL 1005' FWL)

WHEREAS, COGCC Rule 318A(I).a. defines a "400' Greater Wattenberg Area (GWA) Window" as "A square with sides four hundred (400) feet in length, the center of which is the center of any governmental quarter-quarter section." The rule also defines an 800' GWA Window as "a square with sides eight hundred (800) feet in length, the center of which is the center of any governmental quarter section." The Surface Owner and Operator have agreed to stake the wellheads surface location outside of the associated GWA Window.

WHEREAS, COGCC Rule 318A(I).c. requires that an exception be granted by the Surface Owner for a well permitted to be greater than 50' from an existing well in the vicinity. In order drill a horizontal well with sufficient lateral length in the producible zone, and build sufficient production facilities on locations, the well may have been staked greater than 50' from existing wells in SWSW Sec. 12-4N-63W.

NOW, THEREFORE, The undersigned landowner, The TH Ranch, LLC, a Colorado Limited Liability Company, hereby grants Bonanza Creek Energy, Inc. exceptions to the following COGCC Rules with respect to the above referenced well locations.

COGCC Rule 318A(I).a – Well location within a GWA Window
COGCC Rule 318A(I).c – Well location within 50' of an existing well

Signed and Dated this 15th day of August, 2012.

**SURACE OWNER:
The TH Ranch, LLC**

By: [Signature]

Name: BRAD PETERSEN

Title: Authorized Agent