

**MEMORANDUM OF SURFACE USE AGREEMENT**

This Memorandum of Surface Use Agreement (this "Memorandum") is by and between THE TH RANCH, LLC ("TH Ranch"), a Colorado limited liability company, with an address of 34555 County Road 50, Kersey, Colorado 80644-9418, and BONANZA CREEK ENERGY OPERATING COMPANY LLC, a Delaware limited liability company, with an address of 410 17th Street, Suite 1500, Denver, Colorado 80202. ("Bonanza"). TH Ranch and Bonanza may be collectively referred to as the "Parties."

The Parties have entered into that certain Surface Use Agreement dated effective July 1, 2012 (the "Agreement"). All capitalized terms used but not defined herein shall have the meanings given to them in the Agreement. The lands covered by the Agreement are those described in **Exhibit A**, for purposes of the Agreement, the "TH Ranch Land," and the leases covered by the Agreement, insofar as they affect the TH Ranch Land are described on the annexed **Exhibit B** (the "Bonanza Leases").

Bonanza shall surface locate wells, facilities, access roads, and pipelines in certain defined and limited areas which have been agreed between the parties and may be agreed between the parties in the future; Bonanza shall observe certain temporal and geographic restrictions on its operations, and there shall be certain prescribed fees paid for location of the Well Pad, Facilities Pad, Access Road and Pipeline Corridor; all as more particularly set forth in the Agreement.

The terms of the Agreement are coterminous with that of the Bonanza Leases. If there is a conflict between the terms of the Agreement and the terms of this Memorandum, the terms of the Agreement shall control in all respects.

Executed by Bonanza and TH Ranch on the dates set forth in the acknowledgements below.

**Bonanza Creek Energy Operating Company LLC**

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

Patrick Graham, Executive Vice President

**The TH Ranch, LLC**

By: \_\_\_\_\_  
Brad Petersen, Authorized Agent

**MEMORANDUM OF SURFACE USE AGREEMENT**

This Memorandum of Surface Use Agreement (this "Memorandum") is by and between THE TH RANCH, LLC ("TH Ranch"), a Colorado limited liability company, with an address of 34555 County Road 50, Kersey, Colorado 80644-9418, and BONANZA CREEK ENERGY OPERATING COMPANY LLC, a Delaware limited liability company, with an address of 410 17th Street, Suite 1500, Denver, Colorado 80202. ("Bonanza"). TH Ranch and Bonanza may be collectively referred to as the "Parties."

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The terms of the Agreement are coterminous with that of the Bonanza Leases. If there is a conflict between the terms of the Agreement and the terms of this Memorandum, the terms of the Agreement shall control in all respects.

Executed by Bonanza and TH Ranch on the dates set forth in the acknowledgements below.

**Bonanza Creek Energy Operating Company LLC**

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

Patrick Graham, Executive Vice President

**The TH Ranch, LLC**

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

Brad Petersen, Authorized Agent

Acknowledgements

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of July, 2012 by Patrick Graham, as Executive Vice President of Bonanza Creek Energy Operating Company LLC, a Delaware limited liability company.

Witness my hand and official seal.

My commission expires: 4/6/2014.



Jared Rush  
Notary Public

STATE OF COLORADO )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of July, 2012 by Brad Petersen, as Authorized Agent of The TH Ranch LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

Acknowledgements

STATE OF COLORADO )  
 ) ss.  
CITY AND COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of July, 2012 by Patrick Graham, as Executive Vice President of Bonanza Creek Energy Operating Company LLC, a Delaware limited liability company.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

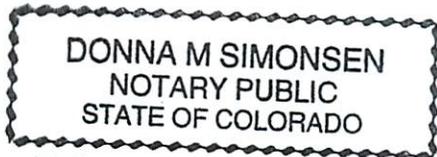
STATE OF COLORADO )  
 ) ss.  
COUNTY OF Denver )

The foregoing instrument was acknowledged before me this 24<sup>th</sup> day of July, 2012 by Brad Petersen, as Authorized Agent of The TH Ranch LLC, a Colorado limited liability company.

Witness my hand and official seal.

My commission expires: 10/25/2015.

Donna M. Simonsen  
Notary Public



My Commission Expires 10/25/2015

**EXHIBIT A**  
to  
MEMORANDUM OF SURFACE USE AGREEMENT  
Between

THE TH RANCH LLC and BONANZA CREEK ENERGY OPERATING COMPANY LLC

**TH Ranch Lands**

A parcel of land being part of the following Townships and Ranges, all of the Sixth Principal Meridian (6th P.M.), County of Weld, State of Colorado and being more particularly described as follows:

**TOWNSHIP FOUR NORTH (T.4N.), RANGE SIXTY-TWO WEST (R.62W.)**

**SECTION SEVEN (7)**

All that part of Section 7 lying

Southerly and Westerly of the Northerly bank of the Riverside Canal

**SECTION SEVENTEEN (17)**

The North Half of the North Half (N1/2 N1/2) and the South Half of the Northeast Quarter (S1/2 NE1/4) of Section 17

**SECTION EIGHTEEN (18)**

The North Half of the North Half (N1/2 N1/2) of Section 18

**TOWNSHIP FOUR NORTH (T.4N.), RANGE SIXTY-THREE WEST (R.63W.)**

**SECTION ONE (1)**

All that part of Section 1 lying

Southerly and Westerly of the Northerly and Easterly bank of the Riverside Canal

**SECTION TWO (2)**

All of Section 2

***EXCEPTING THEREFROM*** any part thereof as may be contained within that Quit Claim Deed as recorded May 26, 1995 in Book 1493 as Reception Number 2440048 of the records of the Weld County Clerk and Recorder (WCCR)

***EXCEPTING THEREFROM*** any part of Section 2 as contained within that parcel of land contained within the dedicated Right-Of-Way of Weld County Road #69 as shown on that corrected map as recorded August 15, 1989 as Reception Number 2195779 of the records of the Weld County Clerk and Recorder.

**SECTION THREE (3)**

All that part of Section 3 lying

Easterly and Northeasterly of the existing centerline of Weld County Road #69

(WCR#69) and Northerly of the existing centerline of Weld County Road #380

(WCR#380)

And Easterly of that parcel of land as described within that Quit Claim Deed as recorded May 26, 1995 in Book 1493 as Reception Number 2440048 of the records of the WCCR

***EXCEPTING THEREFROM*** any part of Section 3 as contained within that parcel of land contained within the dedicated Right-Of-Way of Weld County Road #69 as shown

on that corrected map as recorded August 15, 1989 as Reception Number 2195779 of the records of the Weld County Clerk and Recorder.

**SECTION TEN (10)**

All that part of Section 10 lying  
Northeasterly of the Northeasterly Right-Of-Way (ROW) line U.S. Highway #34  
(USHwy#34) and Easterly of the existing centerline of WCR#69  
And Easterly and Northeasterly of that parcel of land as described within that Special  
Warranty Deed as recorded November 10, 1988 in Book 1215 as Reception Number  
2161552 of the records of the WCCR

**EXCEPTING THEREFROM** any part of Section 10 as contained within that parcel of  
land contained within the dedicated Right-Of-Way of Weld County Road #69 as shown  
on that corrected map as recorded August 15, 1989 as Reception Number 2195779 of the  
records of the Weld County Clerk and Recorder.

**SECTION ELEVEN (11)**

All that part of Section 11 lying  
Northeasterly of the Northeasterly ROW line of USHwy#34  
And Easterly and Northeasterly of that parcel of land as described within that Special  
Warranty Deed as recorded November 10, 1988 in Book 1215 as Reception Number  
2161552 of the records of the WCCR

**EXCEPTING THEREFROM** any part of Section 11 as contained within that parcel of  
land contained within the dedicated Right-Of-Way of Weld County Road #69 as shown  
on that corrected map as recorded August 15, 1989 as Reception Number 2195779 of the  
records of the Weld County Clerk and Recorder.

**SECTION TWELVE (12)**

All of Section 12

**EXCEPTING THEREFROM** that parcel of land as described in that Quit Claim Deed as  
recorded March 29, 1900 in Book 130 on Page 348 of the records of the WCCR

**SECTION THIRTEEN (13)**

All that part of Section 13 lying  
Northeasterly of the Northeasterly ROW line of USHwy#34

**EXCEPTING THEREFROM** the East Nine Hundred and Seventy-six feet (976') thereof

**SECTION FOURTEEN (14)**

All that part of Section 14 lying  
Northeasterly of the Northeasterly ROW line of USHwy#34

**TOWNSHIP FIVE NORTH (T.5N.), RANGE SIXTY-THREE WEST  
(R.63W.)**

**SECTION THIRTY-FOUR (34)**

All that part of Section 34 lying  
Easterly of the existing centerline of WCR#69 and Southeasterly of that parcel of land as  
described within that Quit Claim Deed as recorded May 26, 1995 in Book 1493 as  
Reception Number 2440048 of the records of the WCCR

**SECTION THIRTY-FIVE (35)**

All that part of Section 35 lying  
Easterly of the existing centerline of WCR#69 and Southerly and Southwesterly of the  
Northerly bank of the Riverside Canal

**EXCEPTING THEREFROM** that parcel of land as described within that Quit Claim Deed as recorded May 26, 1995 in Book 1493 as Reception Number 2440048 of the records of the WCCR

**EXCEPTING THEREFROM** any part of the aforesaid Section 34 and Section 35 as contained within the following described parcel of land:

A tract of land located in the East Half (E1/2) of Section 34 and the West Half (W1/2) of Section 35 being more particularly described as follows:

Commencing at the East Quarter Corner of Section 34 and considering the East line of said Section 34 to bear South 00 degrees 00 minutes 36 seconds East and with all other bearings contained herein being relative thereto:

thence South 00 degrees 00 minutes 36 seconds East, 36.00 feet along said East line to the True Point of Beginning;

thence South 86 degrees 09 minutes 00 seconds West, 711.00 feet;

thence North 63 degrees 01 minutes 00 seconds West, 339.00 feet;

thence South 86 degrees 35 minutes 00 seconds West, 86.00 feet;

thence North 29 degrees 35 minutes 00 seconds West, 52.00 feet;

thence North 72 degrees 23 minutes 00 seconds West, 112.00 feet;

thence North 79 degrees 25 minutes 00 seconds West, 99.00 feet;

thence North 00 degrees 00 minutes 00 seconds East, 318.00 feet;

thence North 28 degrees 47 minutes 00 seconds West, 80.00 feet;

thence North 16 degrees 07 minutes 17 seconds West, 70.99 feet;

thence North 28 degrees 28 minutes 58 seconds West, 264.49 feet;

thence North 84 degrees 44 minutes 34 seconds East, 506.83 feet;

thence South 74 degrees 52 minutes 13 seconds East, 1042.77 feet to a point on said East line of Section 34;

thence South 74 degrees 52 minutes 13 seconds East, 31.08 feet;

thence South 00 degrees 00 minutes 36 seconds East, 651.18 feet;

thence South 86 degrees 09 minutes 00 seconds West, 30.07 Feet to the True Point of Beginning.

**SECTION THIRTY-SIX (36)**

All that part of said Section 36 lying

Southwesterly of that part of land as described in that document as recorded April 11, 1905 in Book 228 on Page 14 of the records of the WCCR.

**EXHIBIT B**  
to  
MEMORANDUM OF SURFACE USE AGREEMENT  
Between  
THE TH RANCH LLC and BONANZA CREEK ENERGY OPERATING COMPANY LLC  
**Bonanza Creek Energy Operating Company LLC Leases**

1.     Date:            June 30, 2006  
       Lessor:        Rex Monahan and Doris Monahan  
       Lessee:         Bonanza Creek Energy Operating Company, LLC  
       Recorded:      June 30, 2006 at Reception No. 3400230
  
2.     Date:            December 31, 2002  
       Lessor:        P. David Perkins  
       Lessee:         Rex Monahan  
       Recorded:      December 31, 2002 at Reception No. 3019621
  
3.     Date:            June 27, 1977  
       Lessor:        Champlin Petroleum Company  
       Lessee:         Amoco Production Company  
       Recorded:      August 17, 1977 at Reception No. 1727638  
                       Extended on May 4, 2009 at Reception No. 3620481
  
4.     Date:            April 29, 2003  
       Lessor:        Rodney L. Croissant  
       Lessee:         Rex Monahan  
       Recorded:      May 5, 2003 at Reception No. 3059019  
                       Extended on March 7, 2008 at Reception No. 3540272
  
5.     Date:            May 21, 2010  
       Lessor:        The Prospect Company  
       Lessee:         Bonanza Creek Energy Operating Company, LLC  
       Recorded:      June 4, 2010 at Reception No. 3697491
  
6.     Date:            April 30, 2003  
       Lessor:        Ermajean Bergendahl  
       Lessee:         Rex Monahan  
       Recorded:      May 5, 2003 at Reception No. 3059017  
                       Extended on March 7, 2008 at Reception No. 3540273
  
7.     Date:            February 25, 2008  
       Lessor:        Margareth Caroline Merrill and Frederick G. Merrill  
       Lessee:         Bonanza Creek Energy Operating Company, LLC  
       Recorded:      March 14, 2008 at Reception No. 3541736

8. Date: February 25, 2008  
Lessor: Karl F. Crass, Jr. and Frances A. Crass  
Lessee: Bonanza Creek Energy Operating Company, LLC  
Recorded: April 2, 2008 at Reception No. 3544944
9. Date: February 25, 2008  
Lessor: June Madsen Burd  
Lessee: Bonanza Creek Energy Operating Company, LLC  
Recorded: March 14, 2008 at Reception No. 3541735
10. Date: February 25, 2008  
Lessor: Eleanor M. Wyatt  
Lessee: Bonanza Creek Energy Operating Company, LLC  
Recorded: March 18, 2008 at Reception No. 3542233
11. Date: October 13, 2009  
Lessor: The Travelers Insurance Company  
Lessee: Bonanza Creek Energy Operating Company, LLC  
Recorded: December 3, 2009 at Reception No. 3662976
12. Date: September 12, 2003  
Lessor: The MPT Trust  
Lessee: Rex Monahan  
Recorded: December 8, 2003 at Reception No. 3133071  
Extended on September 26, 2008 at Reception No. 3580472
13. Date: June 20, 2003  
Lessor: Aleen M. Carruthers  
Lessee: Rex Monahan  
Recorded: July 9, 2003 at Reception No. 3081569  
Extended on July 18, 2008 at Reception No. 3567283
14. Date: May 18, 2003  
Lessor: Dorothy E. Merritt and William E. Merritt  
Lessee: Rex Monahan  
Recorded: July 9, 2003 at Reception No. 3081567  
Extended on April 22, 2008 at Reception No. 3549134
15. Date: May 14, 2003  
Lessor: Charlene J. Woods and Donald E. Woods  
Lessee: Rex Monahan  
Recorded: July 9, 2003 at Reception No. 3081568  
Extended on March 18, 2008 at Reception No. 3542234

16. Date: May 13, 2003  
Lessor: Joyce Elaine Cherry and Ronnie Cherry  
Lessee: Rex Monahan  
Recorded: May 21, 2003 at Reception No. 3065006  
Extended on March 18, 2008 at Reception No. 3542236
17. Date: May 9, 2003  
Lessor: Irene M. Schmidt  
Lessee: Rex Monahan  
Recorded: May 21, 2003 at Reception No. 3065008  
Extended on April 9, 2008 at Reception No. 3546393
18. Date: May 9, 2003  
Lessor: Leona L. Croissant  
Lessee: Rex Monahan  
Recorded: May 21, 2003 at Reception No. 3065009  
Extended on March 13, 2008 at Reception No. 3542257
19. Date: May 15, 2003  
Lessor: Alvina Croissant  
Lessee: Rex Monahan  
Recorded: May 21, 2003 at Reception No. 3065009  
Extended on April 2, 2008 at Reception No. 3544948  
Correction recorded on May 19, 2008 at Reception No. 3555186
20. Date: May 13, 2003  
Lessor: Eldon Troy Glenn  
Lessee: Rex Monahan  
Recorded: June 18, 2003 at Reception No. 3073954  
Extended on March 14, 2008 at Reception No. 3541742  
Correction of Description and Extension on March 18, 2008 at Reception No. 3542235  
Correction of Description and Extension on April 2, 2008 at Reception No. 3544947
21. Date: May 16, 2003  
Lessor: Gerald L. Croissant and Ann B. Croissant  
Lessee: Rex Monahan  
Recorded: June 18, 2003 at Reception No. 3073956  
Extended on April 2, 2008 at Reception No. 3544946
22. Date: May 16, 2003  
Lessor: Marvin E. Hooge and I. Rosalie Hooge  
Lessee: Rex Monahan  
Recorded: June 18, 20036 at Reception No. 3073956  
Extended on April 2, 2008 at Reception No. 3544946

23. Date: May 21, 2003  
Lessor: Florence Reck  
Lessee: Rex Monahan  
Recorded: June 18, 2003 at Reception No. 3073952  
Extended on March 31, 2008 at Reception No. 3544360
24. Date: May 21, 2003  
Lessor: Ruth M. Croissant  
Lessee: Rex Monahan  
Recorded: June 18, 2003 at Reception No. 3073957  
Extended on March 14, 2008 at Reception No. 3541740
25. Date: May 15, 2003  
Lessor: Paul Croissant and Hazel Croissant  
Lessee: Rex Monahan  
Recorded: May 21, 2004 at Reception No. 3065007  
Extended on March 31, 2008 at Reception No. 3544358
26. Date: April 1, 2008  
Lessor: Lucille Jane Harms  
Lessee: Bonanza Creek Energy Operating Company, LLC  
Recorded: April 28, 2008 at Reception No. 3550166
27. Date: April 1, 2008  
Lessor: Sharon Koop  
Lessee: Bonanza Creek Energy Operating Company, LLC  
Recorded: April 28, 2008 at Reception No. 3551067
28. Date: April 1, 2008  
Lessor: Virginia Goetz  
Lessee: Bonanza Creek Energy Operating Company, LLC  
Recorded: April 28, 2008 at Reception No. 3550168
29. Date: April 1, 2008  
Lessor: Edwin Croissant  
Lessee: Bonanza Creek Energy Operating Company, LLC  
Recorded: April 28, 2008 at Reception No. 3550169
30. Date: March 6, 2008  
Lessor: Delbert L. Hooge  
Lessee: Bonanza Creek Energy Operating Company, LLC  
Recorded: March 14, 2008 at Reception No. 3541737
31. Date: May 21, 2003  
Lessor: Ruth M. Croissant

Lessee: Rex Monahan  
Recorded: June 18, 2003 at Reception No. 3073957  
Extended on March 14, 2008 at Reception No. 3541738

32. Date: May 21, 2003  
Lessor: Florence Reck  
Lessee: Rex Monahan  
Recorded: June 18, 2003 at Reception No. 3073952  
Extended on March 31, 2008 at Reception No. 3544360

33. Date: May 15, 2003  
Lessor: Paul Croissant and Hazel Croissant  
Lessee: Rex Monahan  
Recorded: May 21, 2003 at Reception No. 3065007  
Extended on March 31, 2008 at Reception No. 3544358