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

Latham 12-2 Pad: SWNW Sec.2, T4N, R63W, 6th PM, Weld County, Colorado
Latham 12-2 (2584' FNL 764' FWL), Latham 11-2 (2592' FNL 776 FWL),
Latham 21-2 (2609' FNL 802' FWL), Latham 22-2 (2626' FNL 828' FWL),
Latham 32-2 (2634' FNL 841' FWL), Latham G-2 (2601' FNL 789' FWL),
Latham L-2 (2617' FNL 815' FWL), Latham H-2 (2643' FNL 854' 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 SWNW Sec. 2-4N-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 24th day of July, **2012**.

SURACE OWNER:
The TH Ranch, LLC

By _____

Title: Authorized Agent