

## Surface Use Agreement

This Surface Use Agreement is made and entered into this 10<sup>th</sup> day of December, 2010, by and between L & S Capital, Ltd, 800 N. Hwy 36, Byers, Colorado 80103 ("L & S"), and Bonanza Creek Energy Operating Company, LLC, 4900 California Ave., Suite #360-B, Bakersfield, California 93309 ("Bonanza").

### BACKGROUND

Bonanza owns oil and gas leasehold interests covering the following lands in Weld County, Colorado (the "Property"):

#### **Township 5 North, Range 61 West**

Section 5: All

Section 6: All

Section 7: All

Section 8: NE/4, SW/4

Section 17: S/2, NW/4

Section 18: All

Bonanza intends to drill various wells in search of oil and gas upon the Property, and L & S owns the surface of the Property. The parties desire to memorialize their agreement concerning use of the surface owned by L & S for Bonanza's drilling and other operations.

### AGREEMENT

In consideration of the execution and delivery by Bonanza of an Assignment of Overriding Royalty Interest contemporaneously herewith, L & S and Bonanza agree as follows:

1. For purposes of this Agreement, a "Well" means a well drilled or caused to be drilled by Bonanza on the Property.
2. No well or production equipment shall be located within three hundred (300) feet from a residence or barn on the Property when the well is permitted.
3. Bonanza shall locate its access roads for the wells, to the extent reasonably practical, along section lines, quarter-section lines and 16<sup>th</sup> lines.
4. These access roads will be maintained by Bonanza for the passage of normal oilfield trucks and equipment, and Bonanza shall take care to minimize wind damage and erosion.
5. These access roads will not be used to access other property unless such access roads are located on section line rights-of-way designated in 1889 by the Board of Weld County Commissioners.
6. At the request of L & S, Bonanza may cause surface equipment and flow lines to be relocated at L & S's sole cost and expense, but only if the relocated facilities will not interfere with Bonanza's oil and gas operations, including drilling, producing, treating, gathering and storing operations.



STATE OF COLORADO )  
 ) ss.  
COUNTY OF Arapahoe )

The foregoing instrument was acknowledged before me this 10th day of Dec, 2010,  
by Mark Linnebur

Witness my hand and official seal.

My commission expires:  
8/29/2011

Sarah B. Nelson  
Notary Public



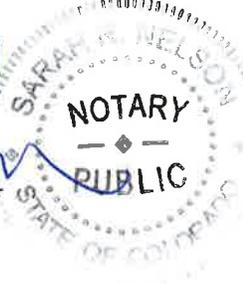
STATE OF COLORADO )  
 ) ss.  
COUNTY OF Arapahoe )

The foregoing instrument was acknowledged before me this 10th day of Dec, 2010,  
by Michael McPhetridge

Witness my hand and official seal.

My commission expires:  
8/29/2011

Sarah B. Nelson  
Notary Public



STATE OF COLORADO )  
 ) ss.  
COUNTY OF Arapahoe )

The foregoing instrument was acknowledged before me this 10th day of Dec, 2010,  
by Frank Linnebur

Witness my hand and official seal.

My commission expires:  
8/29/2011

Sarah B. Nelson  
Notary Public

