

SURFACE USE AGREEMENT

THIS SURFACE USE AGREEMENT ("Agreement") is entered into by and between **Wetco Farms, Inc., a Colorado Corporation ("Owner")** whose address is 2055 1st Avenue, Greeley, CO 80631, the owner of the surface estate in Township 4 North, Range 63 West, Section 4: W/2 and a portion of the E/2, in Weld County, CO (the "Property"), and **Bonanza Creek Energy Operating Company, LLC ("Company")**, whose address is 410 17th Street, Suite 1400, Denver, Colorado 80202 (individually, a "party;" together, "the parties").

WHEREAS, Company owns a leasehold right to access the Property and utilize so much of the surface as is reasonably necessary to explore for and produce oil and gas from the leased premises; and,

WHEREAS, Company and Owner desire to enter into this Agreement as a supplement to, but not in derogation of, Company's leasehold rights, including the right to drill future wells in addition to any well enumerated herein;

NOW THEREFORE; in consideration of agreement to pay the one-time sum of \$ _____ thousand dollars (_____ for usual and ordinary damage resulting from the Operations (as defined below), the sufficiency of which is hereby acknowledged, prior to the commencement of drilling operations on the well. In addition, Company shall pay to Owner, as liquidated damages, a one-time sum of \$ _____ thousand dollars (_____) for crop loss within the POA as shown on Exhibit A and a one-time sum of \$ _____ thousand dollars _____ for the placement of temporary water lines and temporary water tanks as shown on Exhibit B. Company shall have the option to drill the **Wetco Farms A-4-9MRLC** well, as described below, and the drilling of which shall be at the sole discretion of Company, and the mutual promises and covenants contained herein:

Except as provided below in Additional Provisions 2, 3 and 4, Owner hereby releases and discharges Company, its agents, employees, contractors and licensees from and against any and all claims by Owner for damages to the Property, including but not limited to diminution in value of the Property, arising from, incident to, or in connection with Company's oil and gas operations on the Property, including, by way of example only: geophysical exploration, surveying, locating, drilling, stimulating, completing, restimulating, recompleting, deepening, producing, maintaining, plugging, and abandoning the well shown below; installing and operating pipelines, production facilities and emission controls convenient for the operation of the well; and, constructing, maintaining and reclaiming the well pad, production facilities, pipelines and roads (collectively the "Operations") (the well pad and production facilities are collectively referred to as the Primary Area of Operations ("PAO"));

AND,

Subject to receipt of the surface damage payment contained herein, Owner hereby grants, demises and conveys such easements and rights-of-way on and across the Property as may be convenient for the Operations. Company shall have the right to conduct its Operations anywhere on such easements, rights-of-way and PAO, all as shown on Exhibit A, attached hereto and incorporated herein, including drilling a horizontal well that produces from and drain lands other than the Property, provided such lands are validly pooled with all or any portion of the lands included in Company's oil and gas lease covering the Property.

This Agreement is applicable to the following "Well" and its associated PAO, access roads and pipelines:

Well name: **Wetco Farms A-4-9MRLC**

Legal Location: **Township 4 North, Range 63 West, 6th P.M.**
Section 4: NW/4NW/4

Weld County, Colorado

ADDITIONAL PROVISIONS

1. Except as provided below, Company may exercise its rights hereunder for all purposes convenient for Company to perform the Operations, including the right of unimpeded ingress and egress on the designated rights-of-way to access the PAO, to drill the Well and install and operate production facilities and pipelines. Company may assign or delegate to a third party the right to install and operate pipelines in order to connect the Well to a gas or liquids gathering system. The access easements granted herein shall be non-exclusive and capable of use by Owner, so long as such use does not interfere with or impair the Operations, and with the permission of Company, which permission shall not be unreasonably withheld.
2. Company shall construct its roads and pipelines within the access easements and rights-of-way shown on Exhibit A, and otherwise confine its Operations to the PAO, except in the event of an emergency, or for reasonable incidental and temporary activities, and Company shall be responsible for any physical damage to the Property that may be caused by such emergency or incidental and temporary activities. Any depiction of the Operations shown on Exhibit A are for illustrative purposes only and shall not bind Company with respect to the location or scope of its Operations within the PAO.
3. Company shall promptly repair or compensate Owner for damage to personal property or to improvements on the Property, such as damage to buildings, fences, gates, culverts and livestock, as well as other such extraordinary losses or damages caused by Company. Any failure to reach mutual agreement with respect to such repair or compensation shall not, however, be deemed to constitute a breach or abrogation of this Agreement, nor to terminate or diminish the grants, conveyances, rights and obligations contained herein.
4. Company hereby agrees to release, discharge, indemnify and hold Owner harmless from and against any and all third party claims, losses, liability, damages, and causes of action for personal injury or property damage arising out of Company's Operations, unless, and to the extent that, Owner's negligence causes or contributes to such third party claims. This indemnification extends to any action by a government agency with jurisdiction over the Operations under an environmental law or regulation.
5. Company agrees to perform all reclamation in accordance with the rules and regulations of the Colorado Oil and Gas Conservation Commission ("COGCC"), unless a variance is granted by the COGCC upon the request of Owner. Company shall keep the PAO and the pipeline and access easements free of weeds and debris and to control erosion.
6. Owner has requested that all consultation be conducted directly with Owner. Accordingly, Owner shall have the responsibility of notifying any affected tenant, lessee or other party who may own or have an interest in any crops or surface improvements which could be affected by the Operations. Owner agrees that all damages claimed by a surface tenant, lessee or other such party resulting from the Operations shall be settled by Owner, and Owner hereby agrees to release, discharge, indemnify and hold Company harmless from and against any such claims.
7. Owner expressly acknowledges and agrees that Company has consulted in good faith with Owner as to its proposed Operations, in accordance with COGCC requirements, or hereby waives such requirements. Owner expressly waives the application of any COGCC setbacks inconsistent with this Agreement.
 - a. Company will provide Owner with the COGCC Form 2A ("Oil and Gas Location Assessment") for the PAO when the Form 2A is submitted to the COGCC and Company undertakes to ensure that said Form 2A accurately reflects the provisions of this Agreement.

- b. Owner agrees not to object to the Form 2A, so long as it is consistent with this Agreement, and hereby waives any right granted by COGCC rule to comment on the Form 2A, to request an extension of the comment period, to request an onsite inspection pursuant to COGCC policy, or to appeal the approval and issuance of the Form 2A, and any related Form 2 ("Application for Permit to Drill") for the Well.
- c. Owner shall not oppose Company in any COGCC or other governmental proceedings related to Company's Operations, including but not limited to permitting, formation of drilling units, well spacing and pooling, provided that Company's position in such proceedings is consistent with this Agreement.

8. Owner expressly acknowledges and agrees that this Agreement shall be deemed to be specifically applicable to, and to fully satisfy, the obligation of Company to reasonably accommodate Owner's use of the surface of the Property, existing or future, and waives any statutory or common law claim to the contrary.

9. Company will provide Owner with ten (10) day notice by mail, phone call or personal visit prior to commencing Operations on the Property with heavy equipment. Owner acknowledges that this notice complies with, or hereby waives, all COGCC requirements that it be given advance notice by Company of the proposed Operations. Owner acknowledges receiving from Company a brochure prepared by the COGCC which describes the rights and responsibilities of Owner as a surface owner.

10. Concerning any matter relating to the Operations, Owner may contact:

Operator:	Bonanza Creek Energy Operating Company, LLC
Person to Contact:	Land Department - Caroline Heuring, Landman
Address:	410 17 th Street, Suite 1400 Denver, Colorado 80203
Phone Number:	720-440-6159
Fax:	720-305-0804
Email Address:	cheuring@bonanzacrk.com

Toll Free 24-Hour Emergency Phone Number: 1-800-578-5610

11. Owner agrees to include a note on any annexation, subdivision plat, planned unit development or other land use designation for which Owner may apply to put successors or assigns on notice that the Property is subject to this Agreement. Company may also record this Agreement in redacted form, or a Memorandum thereof. In all other respects, however, the parties shall hold the provisions of the Agreement in confidence.

12. In construing this Agreement, no consideration shall be given to the fact or presumption that one party has had a greater or lesser hand in drafting this Agreement than any other party.

13. This Agreement shall be subject to, and construed under, the laws of the State of Colorado, without regard to its conflict of law provisions, and jurisdiction and venue shall be solely in the courts of the State of Colorado, subject to the right of either party to remove a matter to federal court.

14. This Agreement shall extend to, bind and inure to the benefit of, Owner and Company, and their respective heirs, personal representatives, successors and assigns. The rights and obligations contained herein shall constitute covenants running with the Property.

15. This Agreement shall become effective upon execution, which may be by counterparts, each of which shall constitute one and the same document, and shall remain in full force and effect until Company's leasehold estate expires or is terminated, and Company has plugged and abandoned the Well and conducted reclamation in accordance with applicable COGCC rules and

regulations, except that any release, discharge or indemnity from and against liability contained herein shall survive the expiration of this Agreement.

16. Each of the undersigned principals of the parties represents and warrants that such person has the requisite corporate or legal authority to bind the respective parties to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement this 7th day of January, 2013 ~~14~~.

OWNER:

WETCO FARMS, INC., A COLORADO CORPORATION

Craig Sparrow
By: Craig Sparrow
Title: Pres

COMPANY:

BONANZA CREEK ENERGY OPERATING COMPANY, LLC

Kerry A. McCowen
By: Kerry A. McCowen
Title: Vice President Rocky Mountain Operations

ACKNOWLEDGMENTS

STATE OF Colorado

COUNTY OF Weld

The foregoing instrument was acknowledged before me this 9th day of January, 2013, by Craig Sparrow of Wetco Farms, Inc., a Colorado Corporation, on behalf of the corporation.

SHARON SPARROW
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID: 20054007724
MY COMMISSION EXPIRES: Feb. 24, 2017

Sharon Sparrow
Notary Public in and for the State of Co
Printed Name: Sharon Sparrow
Commission Expires: 2/24/2017

STATE OF Colorado

COUNTY OF Denver

The foregoing instrument was acknowledged before me this 7th day of January, 2013, by Kerry A. McCowen, Vice President of Rocky Mountain Operations of Bonanza Creek Energy Operating Company, LLC, on behalf of the corporation.

CAROLINE HEURING
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20124055829
MY COMMISSION EXPIRES SEPT. 24, 2016

Caroline Heuring
Notary Public in and for the State of CO
Printed Name: Caroline Heuring
Expires: 9/24/2016



