

TO: RANDY Edelen
FROM: MARK Linnebur
L & S Family



**BONANZA
CREEK**

410 17th Street, Suite 1500
Denver, CO 80202
(720) 440-6100 phone
(720) 279-2331 fax

Bonanzacrk.com

17 December 2013

L&S Capital Management
800 US HWY 36
Byers, CO 80103
Attn: Frank Linnebur and Mark Linnebur

RE: Exception Location Waiver - COGCC Wattenberg Window and Twinning Rules (318A.a., 318A.c.)

Pronghorn F-17 Pad: NWNW Sec 17-T5N-R61W, 6th PM, Weld County, CO
Pronghorn 11-14-17HNB (310' FNL, 1186' FWL), Pronghorn F-J-17HNC (330' FNL, 1186' FWL),
Pronghorn 21-24-17HNB (350' FNL, 1186' FWL), Ex. Pronghorn A-E-17HZ (370' FNL, 1185' FWL),
Pronghorn A5-17 (390' FNL, 1185' FWL), Pronghorn A6-17 (410' FNL, 1185' FWL),
Pronghorn A7-17 (430' FNL, 1185' FWL)

Mr. Frank Linnebur and Mr. Mark Linnebur:

Bonanza Creek Energy, Inc. (Bonanza) intends to drill the above referenced Niobrara Fm. horizontal oil and gas wells, to be located as described above.

The Colorado Oil and Gas Conservation Commission (COGCC) has implemented certain rules which pre-determine the location of oil and gas wells in this area; and to which exemptions may be granted with the Surface Owner's approval.

COGCC Rule 318A.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." In order drill to horizontal wells with sufficient lateral length in the producible zone; the wellhead surface locations have been staked outside of the associated GWA Window.

COGCC Rule 318A.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 same quarter-quarter. In order to drill horizontal wells with sufficient lateral length in the producible zone, and build sufficient production facilities on location, the wells have been staked greater than 50' from existing wells in NWNW Sec. 17-5N-61W.

Bonanza respectfully requests you or your authorized agent complete and sign the attached form; and scan and email the signed waiver to REdelen@bonanzacrk.com. If you prefer, you may also fax it to (720) 279-2331, to the attention of Randy Edelen. Please do not hesitate to call me, at (720) 440-6136, should you have any questions or concerns.

Sincerely,

Randy Edelen P.E.
Regulatory Specialist
BONANZA CREEK ENERGY, INC.
BONANZA CREEK ENERGY OPERATING COMPANY, LLC

CORPORATE OFFICE
410 17th Street, Suite 1500
Denver, CO 80202
Office: (720) 440-6100

MTD-CONTINENTAL OFFICE
1331 Lamar Street, Suite 1135
Houston, TX 77010
Office: (713) 357-1230

WATTEMBERG RESERVE OFFICE
5601 Trueman Avenue, Suite 310
Bakersfield, CA 93309
Office: (805) 636-2750



**Exception Location Waiver Response Letter
COGCC Rule 318A.a and 318A.c Exceptions**

Pronghorn F-17 Pad: NWNW Sec 17-T5N-R61W, 6th PM, Weld County, CO
Pronghorn 11-14-17HNB (310' FNL, 1186' FWL), Pronghorn F-J-17HNC (330' FNL, 1186' FWL),
Pronghorn 21-24-17HNB (350' FNL, 1186' FWL), Ex. Pronghorn A-E-17HZ (370' FNL, 1185' FWL),
Pronghorn A5-17 (390' FNL, 1185' FWL), Pronghorn A6-17 (410' FNL, 1185' FWL),
Pronghorn A7-17 (430' FNL, 1185' FWL)

Having reviewed Bonanza Creek Energy, Inc.'s letter Surface Owner Waivers, COGCC Wattenberg Window and Twinning Rules dated 17 December 2013, the undersigned Surface Owner or Designated Representative hereby grants Bonanza Creek Energy, Inc. exceptions to the following COGCC Rules with respect to the above referenced well locations.

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

Signed and Dated this 31 day of December, 2013.

SURFACE OWNER or DESIGNATED REPRESENTATIVE:

By Mark Liner, President By _____
Printed Name Mark Liner Printed Name _____
Title President, Progressive Farms Mgt, GP Title _____
Phone Number 720 2446775 Phone Number _____

Designated Representative (if any)

Designated Representative (Agent): _____

Address: _____

Telephone: Home _____ Work _____

Fax No 720 279-2331