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Surface Use and Damages Agreement Between

BY: JB

Bonanza Creek Energy Operating Co., LLC
410 17th St. Suite 1400
Denver, CO 80202
Office: 720-440-6100
Fax: 720-279-2331

Xor Chia & May See Moua
18242 Road 23
Merced, CA 93637-9762

Referenced Lands: Township 5 North, Range 61 West
Section 16: W/2
Section 21: NE/4
Section 22: NW/4
Weld County, Colorado

THIS SURFACE USE AND DAMAGES AGREEMENT is made by and between Bonanza Creek Energy Operating Co., LLC, a Delaware corporation, whose address 410 17th St. Suite 1400, Denver, CO 80202, hereinafter called "Bonanza", and Xor Chia Moua and May See Moua, whose address is 18242 Road 23, Merced, CA 93637-9762, hereinafter collectively called the "Surface Owner".

Bonanza proposes to conduct drilling operations to drill oil and gas well or wells (the "Wells") on the above referenced lands, thereafter, Bonanza proposes to conduct production operations on these Wells. Surface Owner represents that it owns and is in possession of the entire surface estate in Section 16 (W/2), Section 21 (NE/4), Section 22 (NW/4), in Township 5 North, Range 61 West, hereinafter called the "Referenced Lands", upon which the Wells will be located; upon which the associated equipment will be located; and upon which production operations will be conducted. Surface Owner hereby grants its consent to Bonanza to drill and produce the Wells and also agrees Bonanza can bring off-lease oil and gas production onto the Referenced Lands. By this instrument Bonanza and Surface Owner set forth their agreement concerning the surface damages resulting from the drilling and completing of the Wells and subsequent production operations from the Wells on the Referenced Lands.

NOW, THEREFORE, in consideration of the sum of _____ Dollars _____) per well, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Normal Damages. Prior to commencement of drilling operations on each well, Bonanza shall pay Surface Owner the above stated sum as full settlement and satisfaction of all damages growing out of, incident to or in connection with the usual and customary exploration, drilling, completion and production of each Well. Activities shall include but shall not be limited to:

A. construction of access roads, preparation and use of the drill site areas (not to exceed six acres in size, exclusive of access roads), preparation and use of reserve and water pits, water supply tanks and construction, installation and maintenance of production equipment and facilities such as flow lines, gas pipelines, separators, treaters, tank batteries and any other

equipment or facilities necessary or convenient for the production, transportation, gathering and sale of oil and/or gas from the Wells; and

B. all damages caused to the Referenced Lands resulting from the installation and connection of buried gas pipelines from the Wells equipment and/or facilities to the gas purchaser's pipeline and temporary surface water transfer lines.

Bonanza shall have the right to install a tank battery and facility when needed to serve the referenced wells herein. Surface Owner shall allow an access to the wellhead sufficient for vehicles to pass in the course of normal production operations.

2. Abnormal Damages. If, by reasons directly resulting from the activities and/or operations of Bonanza, there is damage to real or personal property upon the Referenced Lands which is not associated with usual, convenient and customary operations, such as, but not limited to, operations (including all acts or missions of drilling contractors and water supply trucks) which are below the industry standards in Weld County or which are outside of mutually agreed locations for roads, drill sites, flow lines, separating equipment, storage tanks, damage to livestock, structures, fences, culverts, cement ditches, and irrigation systems, Bonanza shall promptly repair such damage or pay reasonable compensation to Surface Owner.

3. Notice of Heavy Equipment Operations. If requested by Surface Owner, prior to heavy equipment operations on the Referenced Lands, Bonanza's representative will meet and consult with Surface Owner or Surface Owner's representative, as to the location of the well site, access roads, flow lines, tank batteries, gas sales lines and other associated production facilities.

4. Consultation and Waivers. Surface Owner hereby waives the thirty (30) day advance notice required by the Colorado Oil and Gas Conservation Commission ("COGCC") Rule 305, as amended, and agrees to execute a separate waiver for filing with the COGCC if requested by Bonanza.

Surface Owner agrees to consent to exceptions from the twinning requirement of COGCC Rule 318A(I).c.(2). Surface Owner also agrees to consent to drilling outside of drilling windows established by COGCC Rule 318A(I).a.

Bonanza will provide the 7-day advance notice of subsequent well operations with heavy equipment as required by COGCC Rule 305.e(4)&(5).

Whenever in this Agreement the Surface Owner is given the right to approve, accept, designate, consent to or grant a waiver with respect to any action, plan or proposal of Operator, the Surface Owner shall not unreasonably withhold or delay such approval, acceptance, designation, waiver and/or consent.

5. Colorado Oil and Gas Conservation Commission. Bonanza agrees to comply with all the COGCC rules and regulations regarding the activities proposed herein.

6. Notice to Tenant(s). With respect to notices required to be given under COGCC's rule 305, it shall be the responsibility of the notified Surface Owner to give notice of the proposed operation to the tenant farmer, lessee or other party that may own or have an interest in crops or surface improvements that could be affected by such proposed operations. As a courtesy to Surface Owner and Tenant(s), Bonanza will attempt to notify said third party prior to commencement of any operation, but shall be under no obligation to do so.
7. Topsoil Reclamation. All topsoil removed during drill site preparation and reserve and water pits construction (but not including buried flow lines and gas pipeline installations, which will be accomplished by trenching, not to exceed 18 inches in width) shall be segregated and kept separate from subsoil. Prior to replacing topsoil, bentonite drilling mud and fluids remaining in pits as a result of the drilling operations shall be removed and/or may be spread on the surface is so desired by Surface Owner or Surface Owner's tenant farmer. After subsoils have been replaced, topsoil shall be restored to its original location and condition as nearly as possible in the course of restoration activities. Bonanza shall replace natural grasses and take all reasonable steps necessary to assure there is no soil erosion directly resulting from the activities and/or operations of Bonanza caused by the wind.
8. Site Restoration. Upon completion of any activity by Bonanza, the premises shall be restored to its original condition as nearly as reasonably practical. At Bonanza's discretion, adequate road base material shall be applied to improve field access roads and tank battery sites where necessary. All surface equipment and materials associated with the activity, such as concrete, plastic, pipe, cable and similar waste materials and refuse, shall be removed. Weather permitting, reclamation and restoration operations shall be completed as soon as feasible following drilling and subsequent related operations, unless Bonanza and Surface Owner mutually agree to postponement because of crop or other considerations.
9. Successors, Assigns and Agents. This Surface Damage Agreement shall be binding upon and inure to the benefit of the parties hereto, their agents, successors and assigns, and may be executed in counterparts and/or on different dates, each of which shall be deemed to be an original for the purposes hereof.
10. Default and Right to Cure. In the event of alleged default by Bonanza in the payment of any of the sums hereinabove provided to be made, in obligations to be performed, or any other terms, conditions or covenants of this Agreement, Surface Owner will notify Bonanza, by certified mail, return receipt requested, of the alleged default. Bonanza will have 30 business days from receipt of the written notification in which to dispute or otherwise respond to the notification before Surface Owner may allege default.

Except as otherwise agreed in writing, no waiver by Surface Owner of any breach by Bonanza of any of its obligations, agreements, or covenants hereunder will be deemed to be a waiver of any subsequent or continuing breach of the same, nor will any forbearance by Surface Owner to seek a remedy for any breach by Bonanza be deemed to be a waiver by Surface Owner of its rights or remedies with respect to such breach; however, in no event will Bonanza be liable for additional payment for reasonably anticipated damages to the

Lands caused by Bonanza's oil and gas operations, and in no event will Bonanza be liable for consequential damages.

11. Termination of Past Agreements. Surface Owner and Bonanza entered into a Letter Agreement dated March 31, 2006 and a Surface Damage Agreement effective on February 2nd, 2006 for the Referenced Lands. This Agreement replaces and supersedes the previous Surface Damage Agreement and Letter Agreement which shall terminate upon the effective date of this Agreement. Additionally, all payments and accounts relating to the past Agreements will be considered paid in full.

IN WITNESS WHEREOF, this instrument is executed as of the dates written below, but shall be effective as of November 14th, 2012.

Bonanza Creek Energy Operating Co., LLC.

Kerry A. McCowen
Kerry A. McCowen
Vice President Rocky Mtn

11-16-12
Date

Surface Owners

Xor Chia & May See Moua
Xor Chia & May See Moua
Date 12/5/12

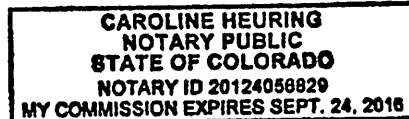
State of Colorado)

County of Denver)

This instrument was acknowledged before me this 16 day of November, 2012, by
Caroline Heuring

By commission expires 9/24/2016

Caroline Heuring
Notary Public



State of Colorado)

County of _____)

This instrument was acknowledged before me this _____ day of _____, 2012, by

By commission expires _____

See attached
Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

MERCED

On Dec. 05. 2012 before me, JUDY MANZO NOTARY PUBLIC

Date

Here Insert Name and Title of the Officer

personally appeared XORCHIA MOUA, MAYSEE LEE MOUA

Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

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