

## Surface Use and Damages Agreement Between

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

and

H. Joseph Huck, Jr.  
3341 E. Pheasant Grove Dr.  
Idaho Falls, ID 83401

Referenced Lands: Township 5 North, Range 63 West  
Section 28: NE/4NE/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 17<sup>th</sup> St. Suite 1400, Denver, CO 80202, hereinafter called "**Bonanza**", and H. Joseph Huck, Jr., whose address is 3341 E. Pheasant Grove Dr., Idaho Falls, ID 83401, hereinafter collectively called the "**Surface Owner**".

Bonanza proposes to conduct drilling operations to drill an oil and gas well ("**Well**") or wells ("**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 an undivided interest in the entire surface estate in Section 28 (NE/4NE/4) in Township 5 North, Range 63 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.

NOW, THEREFORE, for and in consideration of the covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Surface Owner and Bonanza, incorporate by reference the above Recitals and agree as follows:

1. Right-of-Way. Surface Owner hereby grants Bonanza, its employees and designated agents, a private right-of-way to enter upon and use the Referenced Lands for the purpose of drilling, completing and producing the Wells and also agrees Bonanza can bring off-lease oil and gas production on and through 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.

2. Nonexclusive Rights. The rights granted by Surface Owner to Bonanza are nonexclusive, and Surface Owner reserves the right to use all access roads and all surface and subsurface uses of the Referenced Lands, and the right to grant successive easements thereon or across on such terms as Surface Owner deems necessary or advisable.



3. Normal Damages. Prior to commencement of drilling operations on each well, Bonanza shall pay Surface Owner the below 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 area(s) (each drill site area not to exceed six acres in size, exclusive of access roads and pipelines), 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, water transfer lines, 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.

4. 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.

5. 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.

6. 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 waive the Consultation required by the COGCC Rule 306.

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 Bonanza, the Surface Owner shall not unreasonably withhold or delay such approval, acceptance, designation, waiver and/or consent.

7. Colorado Oil and Gas Conservation Commission. Bonanza agrees to comply with all the COGCC rules and regulations regarding the activities proposed herein.
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.

13. Termination of Past Agreements. Surface Owner and Bonanza agree that all past Agreements between Surface Owner and Bonanza, or their predecessors, for the Referenced Lands shall be considered null and void by entering into this new Agreement. Additionally, it is agreed that all payments relating to any past Agreements will be considered paid in full.
14. Payments. Bonanza agrees to pay Surface Owner, prior to drilling operations, the sum of [REDACTED] proportionately reduced by Surface Owners interest in the surface estate, to be paid for the first Well on a new well pad. Bonanza agrees to pay Surface Owner the sum of [REDACTED] proportionately reduced by Surface Owners interest in the surface estate for each additional well on a new or existing well pad.

IN WITNESS WHEREOF, this instrument is executed as of the dates written below, but shall be effective as of November 28th, 2012.

**Surface Owners**

H. Joseph Huck, Jr.  
H. Joseph Huck, Jr.

01/31/2013  
Date

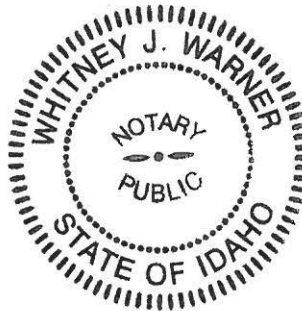
State of Idaho

County of Bonneville

This instrument was acknowledged before me this 31 day of January 2013, by  
Whitney J. Warner - Notary Public

By commission expires 10.25.14

Whitney J. Warner  
Notary Public





IN WITNESS WHEREOF, this instrument is executed as of the dates written below, but shall be effective as of November 28th, 2012.

**Bonanza Creek Energy Operating Co., LLC.**

  
\_\_\_\_\_  
Michael R. McPhetridge  
Vice President Land

January 14, 2013  
Date

**Surface Owners**

\_\_\_\_\_  
H. Joseph Huck, Jr.

\_\_\_\_\_  
Date

State of \_\_\_\_\_)

County of \_\_\_\_\_)

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2013, by \_\_\_\_\_.

By commission expires \_\_\_\_\_

\_\_\_\_\_  
Notary Public

State of \_\_\_\_\_)

County of \_\_\_\_\_)

This instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2013, by \_\_\_\_\_.

By commission expires \_\_\_\_\_

\_\_\_\_\_  
Notary Public

## Surface Use and Damages Agreement Between

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

and

John A.V. Levings & Kim A. Levings  
1136 36<sup>th</sup> Place  
Forest Grove, OR 97116

Referenced Lands: Township 5 North, Range 63 West  
Section 28: NE/4NE/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 17<sup>th</sup> St. Suite 1400, Denver, CO 80202, hereinafter called "**Bonanza**", and John A.V. Levings and Kim A. Levings, whose address is 1136 36<sup>th</sup> Place, Forest Grove, OR 97116, hereinafter collectively called the "**Surface Owner**".

Bonanza proposes to conduct drilling operations to drill an oil and gas well ("**Well**") or wells ("**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 an undivided interest in the entire surface estate in Section 28 (NE/4NE/4) in Township 5 North, Range 63 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.

NOW, THEREFORE, for and in consideration of the covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Surface Owner and Bonanza, incorporate by reference the above Recitals and agree as follows:

1. Right-of-Way. Surface Owner hereby grants Bonanza, its employees and designated agents, a private right-of-way to enter upon and use the Referenced Lands for the purpose of drilling, completing and producing the Wells and also agrees Bonanza can bring off-lease oil and gas production on and through 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.

2. Nonexclusive Rights. The rights granted by Surface Owner to Bonanza are nonexclusive, and Surface Owner reserves the right to use all access roads and all surface and subsurface uses of the Referenced Lands, and the right to grant successive easements thereon or across on such terms as Surface Owner deems necessary or advisable.



3. Normal Damages. Prior to commencement of drilling operations on each well, Bonanza shall pay Surface Owner the below 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 area(s) (each drill site area not to exceed six acres in size, exclusive of access roads and pipelines), 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, water transfer lines, 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.

4. 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.

5. 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.

6. 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 waive the Consultation required by the COGCC Rule 306.

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 Bonanza, the Surface Owner shall not unreasonably withhold or delay such approval, acceptance, designation, waiver and/or consent.

7. Colorado Oil and Gas Conservation Commission. Bonanza agrees to comply with all the COGCC rules and regulations regarding the activities proposed herein.
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.

13. Termination of Past Agreements. Surface Owner and Bonanza agree that all past Agreements between Surface Owner and Bonanza, or their predecessors, for the Referenced Lands shall be considered null and void by entering into this new Agreement. Additionally, it is agreed that all payments relating to any past Agreements will be considered paid in full.
14. Payments. Bonanza agrees to pay Surface Owner, prior to drilling operations, the sum of [REDACTED] proportionately reduced by Surface Owners interest in the surface estate, to be paid for the first Well on a new well pad. Bonanza agrees to pay Surface Owner the sum of [REDACTED] proportionately reduced by Surface Owners interest in the surface estate for each additional well on a new or existing well pad.



IN WITNESS WHEREOF, this instrument is executed as of the dates written below, but shall be effective as of November 28th, 2012.



Bonanza Creek Energy Operating Co., LLC.

R. McPhetridge  
Michael R. McPhetridge  
Vice President Land

January 14, 2013  
Date

Surface Owners

John A.V. Levings & Kim A. Levings 1-28-13  
Date

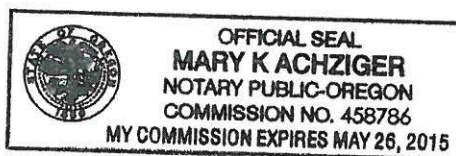
State of Oregon

County of Washington

This instrument was acknowledged before me this 28<sup>th</sup> day of January, 2013, by John A.V. Levings

By commission expires May 26, 2015

Mary K. Achziger  
Notary Public



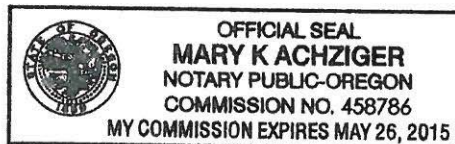
State of Oregon

County of Washington

This instrument was acknowledged before me this 28<sup>th</sup> day of January, 2013, by Kim A. Levings

By commission expires May 26, 2015

Mary K. Achziger  
Notary Public



## Surface Use and Damages Agreement Between

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

and

Amerigo D. DiLauro  
3312 Eagle Harbor Rd.  
Albion, NY 14411

Referenced Lands: Township 5 North, Range 63 West  
Section 28: NE/4NE/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 17<sup>th</sup> St. Suite 1400, Denver, CO 80202, hereinafter called "**Bonanza**", and Amerigo D. DiLauro, whose address is 3312 Eagle Harbor Rd., Albion, NY 14411, hereinafter collectively called the "**Surface Owner**".

Bonanza proposes to conduct drilling operations to drill an oil and gas well ("**Well**") or wells ("**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 an undivided interest in the entire surface estate in Section 28 (NE/4NE/4) in Township 5 North, Range 63 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.

NOW, THEREFORE, for and in consideration of the covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Surface Owner and Bonanza, incorporate by reference the above Recitals and agree as follows:

1. Right-of-Way. Surface Owner hereby grants Bonanza, its employees and designated agents, a private right-of-way to enter upon and use the Referenced Lands for the purpose of drilling, completing and producing the Wells and also agrees Bonanza can bring off-lease oil and gas production on and through 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.

2. Nonexclusive Rights. The rights granted by Surface Owner to Bonanza are nonexclusive, and Surface Owner reserves the right to use all access roads and all surface and subsurface uses of the Referenced Lands, and the right to grant successive easements thereon or across on such terms as Surface Owner deems necessary or advisable.



3. Normal Damages. Prior to commencement of drilling operations on each well, Bonanza shall pay Surface Owner the below 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 area(s) (each drill site area not to exceed six acres in size, exclusive of access roads and pipelines), 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, water transfer lines, 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.

4. 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.

5. 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.

6. 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 waive the Consultation required by the COGCC Rule 306.

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 Bonanza, the Surface Owner shall not unreasonably withhold or delay such approval, acceptance, designation, waiver and/or consent.

7. Colorado Oil and Gas Conservation Commission. Bonanza agrees to comply with all the COGCC rules and regulations regarding the activities proposed herein.
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.

13. Termination of Past Agreements. Surface Owner and Bonanza agree that all past Agreements between Surface Owner and Bonanza, or their predecessors, for the Referenced Lands shall be considered null and void by entering into this new Agreement. Additionally, it is agreed that all payments relating to any past Agreements will be considered paid in full.
14. Payments. Bonanza agrees to pay Surface Owner, prior to drilling operations, the sum of [REDACTED] proportionately reduced by Surface Owners interest in the surface estate, to be paid for the first Well on a new well pad. Bonanza agrees to pay Surface Owner the sum of [REDACTED] proportionately reduced by Surface Owners interest in the surface estate for each additional well on a new or existing well pad.

IN WITNESS WHEREOF, this instrument is executed as of the dates written below, but shall be effective as of November 28th, 2012.

**Bonanza Creek Energy Operating Co., LLC.**

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

2-13-13  
Date

**Surface Owners**

Amerigo D. DiLauro  
Amerigo D. DiLauro

3/10/13  
Date

State of Colorado

County of Denver

This instrument was acknowledged before me this 13 day of February, 2013, by  
Alexander Newell

By commission expires 11-20-2016

Alexander S. Newell  
Notary Public

ALEXANDER S. NEWELL  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID # 20124075431  
MY COMMISSION EXPIRES NOVEMBER 20, 2016

State of \_\_\_\_\_)

County of \_\_\_\_\_)

This instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by

By commission expires \_\_\_\_\_

\_\_\_\_\_  
Notary Public



## Surface Use and Damages Agreement Between

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

and

Mary Harlan  
700 North Bentsen Palm Dr. #79  
Mission, TX 78572

Referenced Lands: Township 5 North, Range 63 West  
Section 28: NE/4NE/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 17<sup>th</sup> St. Suite 1400, Denver, CO 80202, hereinafter called "**Bonanza**", and Mary Harlan, whose address is 700 North Bentsen Palm Dr. #79, hereinafter collectively called the "**Surface Owner**".

Bonanza proposes to conduct drilling operations to drill an oil and gas well ("**Well**") or wells ("**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 an undivided interest in the entire surface estate in Section 28 (NE/4NE/4) in Township 5 North, Range 63 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.

NOW, THEREFORE, for and in consideration of the covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Surface Owner and Bonanza, incorporate by reference the above Recitals and agree as follows:

1. Right-of-Way. Surface Owner hereby grants Bonanza, its employees and designated agents, a private right-of-way to enter upon and use the Referenced Lands for the purpose of drilling, completing and producing the Wells and also agrees Bonanza can bring off-lease oil and gas production on and through 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.

2. Nonexclusive Rights. The rights granted by Surface Owner to Bonanza are nonexclusive, and Surface Owner reserves the right to use all access roads and all surface and subsurface uses of the Referenced Lands, and the right to grant successive easements thereon or across on such terms as Surface Owner deems necessary or advisable.



3. Normal Damages. Prior to commencement of drilling operations on each well, Bonanza shall pay Surface Owner the below 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 area(s) (each drill site area not to exceed six acres in size, exclusive of access roads and pipelines), 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, water transfer lines, 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.

4. 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.

5. 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.

6. 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 waive the Consultation required by the COGCC Rule 306.

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 Bonanza, the Surface Owner shall not unreasonably withhold or delay such approval, acceptance, designation, waiver and/or consent.

7. Colorado Oil and Gas Conservation Commission. Bonanza agrees to comply with all the COGCC rules and regulations regarding the activities proposed herein.
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.

13. Termination of Past Agreements. Surface Owner and Bonanza agree that all past Agreements between Surface Owner and Bonanza, or their predecessors, for the Referenced Lands shall be considered null and void by entering into this new Agreement. Additionally, it is agreed that all payments relating to any past Agreements will be considered paid in full.
14. Payments. Bonanza agrees to pay Surface Owner, prior to drilling operations, the sum of [REDACTED], proportionately reduced by Surface Owners interest in the surface estate, to be paid for the first Well on a new well pad. Bonanza agrees to pay Surface Owner the sum of [REDACTED], proportionately reduced by Surface Owners interest in the surface estate for each additional well on a new or existing well pad.



IN WITNESS WHEREOF, this instrument is executed as of the dates written below, but shall be effective as of November 28th, 2012.

**Bonanza Creek Energy Operating Co., LLC.**

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

2-13-13  
Date

**Surface Owners**

Mary Harlan  
Mary Harlan

2-20-13  
Date

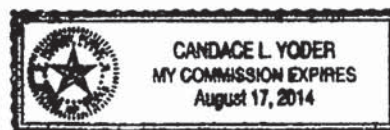
State of TEXAS

County of Hidalgo

This instrument was acknowledged before me this 20<sup>th</sup> day of February, 2013, by

By commission expires 08/17/2014

Candace L Yoder  
Notary Public



State of Colorado

County of Denver

This instrument was acknowledged before me this 13 day of February, 2013, by  
Alexander Newell

By commission expires 11-20-2016

Alexander Newell  
Notary Public

