

## Surface Use and Damages Agreement Between

Bonanza Creek Energy, Inc.  
4900 California Ave., Ste 350-B  
Bakersfield, CA 93309  
Office: 661-638-2730  
Fax: 661-638-2730

and

James W. and Donna L. Park  
32730 Weld County Rd. 50  
Kersey, CO 80644  
Home: 970-352-2125  
Cell: 970-590-5914

Referenced Lands: Township 4 North, Range 63 West  
Section 4: E/2  
Weld County, Colorado

Well Name: North Platte 34-33  
Wellbore Location: SW/4 SE/4 Section 33, T5N, R63W  
Weld County, Colorado

Well Name: North Platte 44-33  
Wellbore Location: SE/4 SE/4 of Section 33, T5N, R63W  
Weld County, Colorado

Well Name: Latham 41-4  
Wellbore Location: NE/4 NE/4 of Section 4, T4N, R63W  
Weld County, Colorado

THIS SURFACE USE AND DAMAGES AGREEMENT is made by and between Bonanza Creek Energy, Inc., a Delaware corporation, whose address is 4900 California Ave., Suite 350-B, Bakersfield, California 93309, hereinafter called "Bonanza" and James W. Park, Donna L. Park, and James W. Park and Donna L. Park, as joint tenants, whose address is 32730 Weld County Rd. 50, Kersey, Colorado 80644, hereinafter collectively called the "Surface Owner".

Bonanza proposes to conduct drilling operations to drill the North Platte 34-33, North 44-33, and Latham 41-4 oil and gas wells (the "Wells") at the above referenced well locations and, 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 the East Half (E/2) of Section 4 in Township 4 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. 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 each Well and subsequent production operations from each Well 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 two acres in size, exclusive of access roads), preparation and use of reserve and water pits, 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.

Bonanza shall pay \_\_\_\_\_; (\$ \_\_\_\_\_) annually for the Surface Owner to build and maintain an access road (to Bonanza's specifications) to the well(s) and facility(ies) at Surface Owner's sole cost, risk and expense. Bonanza shall also have the right to install a tank battery and facility when needed to serve the three referenced wells herein. Surface Owner shall allow an access to the wellhead sufficient for vehicles to pass in the course of normal production operations.

In the event a well is drilled adjacent to the Referenced Lands and the Surface Owner is not eligible to receive \_\_\_\_\_ (\$ \_\_\_\_\_) as set out herein, but a tank battery is set on the Referenced Lands, then Surface Owner may be eligible to receive \_\_\_\_\_ (\$ \_\_\_\_\_) as set out in the paragraph above.

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. Bonanza will provide gates to adequately close ingress from County Rd 50.

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. Waiver of Thirty Day Notices. Surface Owner hereby waives the thirty (30) day advance notices 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.

5. 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.

6. 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.

7. 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.

8. Cropland Drillsite Locations. Bonanza shall postpone commencing drilling operations on wells located within croplands on the Referenced Lands until such crops are removed or an earlier start is agreed to by the mutual consent of the parties.

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

**Bonanza Creek Energy, Inc.**

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

4-14-11  
Date

**Surface Owners**

James W. Park  
James W. Park

4-11-11  
Date

Donna L. Park  
Donna L. Park

4-11-11  
Date

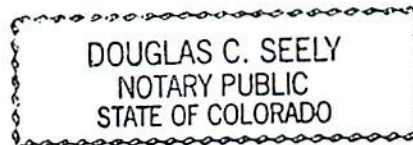
State of Colorado )

County of Weld )

This instrument was acknowledged before me this 11<sup>th</sup> day of April, 2011, by  
James W. Park

By commission expires 7/12/2013

Douglas C. Seely  
Notary Public



State of Colorado )

County of Weld )

This instrument was acknowledged before me this 11<sup>th</sup> day of April, 2011, by  
Donna L. Park

By commission expires 7/12/2013

Douglas C. Seely  
Notary Public

