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Bonanzacrk.com

07 January 2013

Mr. Craig Sparrow
35284 CR 50
Kersey, Colorado 80644

RE: Surface Owner Waivers - COGCC Wattenberg Window and Twinning Rules (318A.a., 318A.c.)

Wetco Farms F-J-4HC: NWNW (253' FNL, 170' FWL) Sec 4-T4N-R63W, 6th PM, Weld County, CO

Mr. Craig Sparrow:

Bonanza Creek Energy, Inc. (Bonanza) intends to drill the above referenced horizontal oil and gas well to be located as described above. Please see the attached Location Drawing.

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(I).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 a horizontal well with sufficient lateral length in the producible zone; the wellhead surface location has been staked outside of the associated GWA Window.

COGCC Rule 318A(I).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 vicinity. In order drill a horizontal well with sufficient lateral length in the producible zone, and build sufficient production facilities on locations, the well has been staked greater than 50' from existing wells in NWNW Sec. 4-4N-63W.

Bonanza respectfully requests you or your authorized agent complete and sign the attached form; and fax it to (720) 279-2331, to the attention of Michael Meagher. If you prefer, you may also scan and email the signed waiver to mmeagher@bonanzacrk.com. Please do not hesitate to call me, at (720) 440-6180, should you have any questions or concerns.

Sincerely,
BONANZA CREEK ENERGY, INC.
BONANZA CREEK ENERGY OPERATING COMPANY, LLC

Michael Meagher
Associate Landman



SURFACE OWNER'S RESPONSE LETTER
COGCC Rule 318A(I).a and 318A(I).c Exceptions


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Having reviewed Bonanza Creek Energy, Inc.'s letter **Surface Owner Waivers, COGCC Wattenberg Window and Twinning Rules** dated **7 January 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(I).a – Well location within a GWA Window
COGCC Rule 318A(I).c – Well location within 50' of an existing well

Signed and Dated this 10 day of JAN, 2013.

SURACE OWNER or DESIGNATED REPRESENTATIVE:

By  By _____
Title: PRES Title: _____

Designated Representative (if any)

Designated Representative (Agent): WETCO FARMS BY CRAIG SPARROW
Address: 2055 1ST AVE - GREELEY CO 80631
Telephone: Home 970-771-0799 Work 970-357-6682-