

## 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

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: The East 248.00 acres

Pad Name: Park T-4 Pad  
Wellbore Location: Depicted on Exhibit "A", attached hereto and made a part hereof  
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 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 oil and gas well or wells (the "Wells") at the above referenced well location 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 248.00 acres (part 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 the Wells and subsequent production operations from the Wells on the Referenced Lands.

NOW, THEREFORE, in consideration of the sum of \_\_\_\_\_ 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.

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 \_\_\_\_\_ Dollars annually, as compensation for Bonanza Creek's use of the surface.

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

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

10. Waivers. 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.

11. Access and Exhibit "A". Bonanza agrees to conduct all drilling operations on the Park T-4 Pad, as generally depicted in the Exhibit "A" (attached hereto and made a part hereof), as the blue dot. Additionally, Bonanza agrees to only use the access route as depicted on the Exhibit "A", as the arrows leading to the Park T-4 Pad.

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.

Bonanza Creek Energy Operating Co., LLC.

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

11-7-12  
Date

Surface Owners

James W. Park & Donna L. Park  
James W. Park & Donna L. Park 11-12-12  
Date

State of Colorado)

County of Denver)

This instrument was acknowledged before me this 7th day of November, 2012, by Caroline Heuring

By commission expires 9/24/14

Caroline Heuring  
Notary Public

CAROLINE HEURING  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20124056829  
MY COMMISSION EXPIRES SEPT. 24, 2016

State of Colorado)

County of Weld )

This instrument was acknowledged before me this 12<sup>th</sup> day of November, 2012, by Douglas C. Seely

By commission expires 7/12/2013

Douglas C. Seely  
Notary Public

DOUGLAS C. SEELY  
NOTARY PUBLIC  
STATE OF COLORADO

STATE OF COLORADO  
NOTARY PUBLIC  
DORIS M. C. BEEBE

MY COMMISSION EXPIRES FEB. 24, 2018  
NOTARY ID 2013402858  
STATE OF COLORADO  
NOTARY PUBLIC  
CAROLINE HENNING

**Exhibit "A"**  
Park T-4 Pad 4N-63W-4

