



410 17th Street, Suite 1400
Denver, CO 80202
(720) 440-6100 phone
(720) 305-0804 fax

Bonanzacreek.com

February 10, 2014

State Board of Land Commissioners
North Central District Office
Attn: Steve Freese
360 Oak Avenue, Suite 110
Eaton, Colorado 80615

**Re: Request to access State land
State 1 well, 5N-62W-12**

Dear Mr. Freese,

Bonanza Creek Energy, Inc. ("Bonanza") would like to request permission to use the surface location of the State 1 ("Well") in order locate and plug said well.


Bonanza intends to locate, re-enter and re-plug the Well, in accordance with the DJ Basin Horizontal Offset Policy, as set forth by the Colorado Oil and Gas Conservation Commission ("COGCC"). The Well will be plugged in accordance with the lease rights granted by the State of Colorado. A 100' x 100' area surrounding the possible location of the Well, will be designated as the disturbance area. Once the Well is located a 150' x 150' pad will be designated as the pad location for plugging operations. The following procedures will be used to reclaim the location following completion of operations:

- Land will be re-contoured and stabilized to support vegetation, reduce erosion, and establish "bowls" in the general shape and vicinity as those pre-existing, documented by survey and photographs.
- In areas where topsoil was stockpiled the topsoil will be distributed evenly over the entire disturbed area.
- The seedbed will be prepared by disking to a depth of four (4) to six (6) inches, where feasible, following the contour. If the surface is not overly compacted it will not be ripped to hold seed.
- All disturbed areas will be seeded with a seed mixture representative of the surrounding vegetation, or a mixture specified by the surface owner.
- Seeds will be planted prior to ground frost or seed will be planted after the last frost in spring and before dry summer conditions. Seed will be planted to a depth of 0.5 inch. Stabilization using straw crimp or other approved method will be used to stabilize the seedbed to prevent soil loss. Certified seed will be used with a minimum germination rate of 80% and a purity of 90%.
- Prior to final reclamation, a joint inspection of the disturbed area will be held with the surface owner and operator.

Upon review of oil and gas lease no. OG 7906.3, Bonanza has determined that there are no additional stipulations associated with the mentioned lease. However, Bonanza intends to accommodate any timing or location issues that may affect its plugging operations.

Enclosed please find a satellite photo depicting the potential location of the State 1 well located in Section 12, 5N-62W. A surveyed plat will be provided once it has been completed by the survey company. Please let us know if you would like to set up a consult to view the pad site. Should you find the location satisfactory, please sign and return the attached acknowledgement. If you have any questions, please do not hesitate to call or email me.

Sincerely,
Bonanza Creek Energy, Inc.

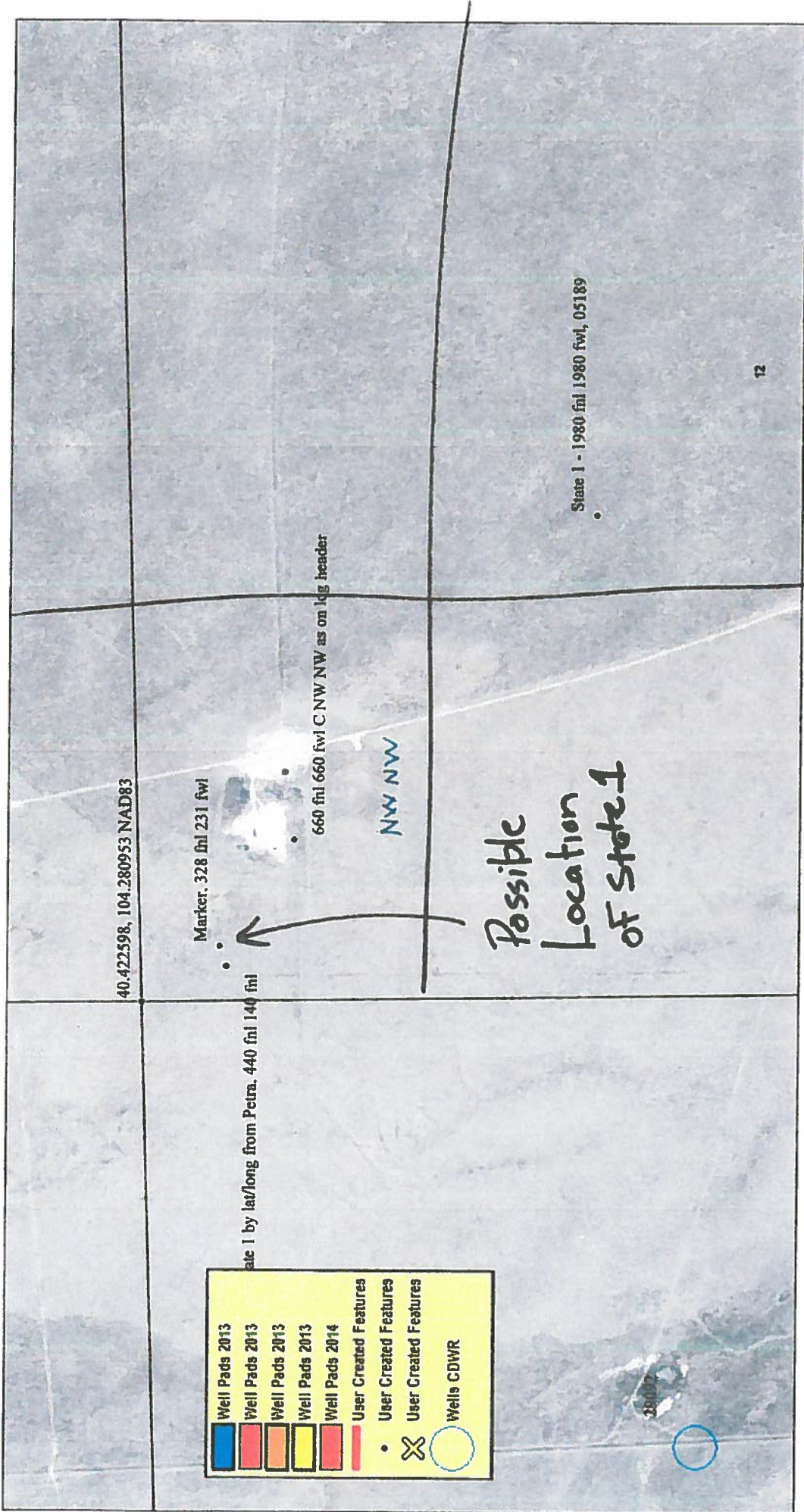

Steve McPherson
Landman III, Rocky Mountain Region
720-440-6180
smcpherson@bonanzacrk.com

I hereby acknowledge receipt of the satellite photo depicting the potential location of the State 1 well in Section 12, 5N-62W. I find the location to be satisfactory and approve of the wells to be drilled.

Steve Freese

By: _____

Date: 3/10/14



5N 62W Sec 12: NW NW