

## MEMORANDUM OF SURFACE USE AGREEMENT

This Memorandum of Surface Use Agreement (this "Memorandum") is by and between 70 Ranch LLC, a Colorado Limited Liability Company whose address is 8301 E. Prentice Avenue, Suite 100, Greenwood Village, CO 80111 ("70 Ranch") and Bonanza Creek Energy Operating Company LLC, a Delaware limited liability company whose address is 410 17th Street, Suite 1500, Denver, Colorado 80202 ("Bonanza"). 70 Ranch and Bonanza may be collectively referred to as the "Parties."

The Parties have entered into that certain Surface Use Agreement dated effective January 1, 2012 (the "Agreement"), and a Letter Agreement dated January 19, 2012 concerning responsibilities respecting "berm roads" identified in Exhibit B to the Agreement. All capitalized terms used but not defined herein shall have the meanings given to them in the Agreement.


The lands and leases covered by the Agreement and Letter Agreement are described on the attached **Exhibit A**.

The Agreement provides, among other things, that Bonanza shall locate wells, facilities, access routes, and pipelines in certain defined and limited areas which have been agreed between the parties and may be agreed between the parties in the future; Bonanza shall observe certain temporal and geographic restrictions on its operations, there shall be certain prescribed fees paid for location of well sites and production facilities, road maintenance obligations shall be apportioned between the parties, and 70 Ranch shall provide a license to Bonanza to use portions of the surface of the 70 Ranch Lands to access certain leaseholds outside the 70 Ranch Lands.

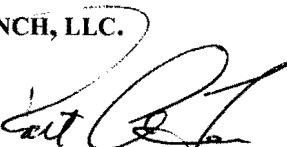
The terms of the Agreement and Letter Agreement are coterminous with that of the Leases. If there is a conflict between the terms of the Agreement or Letter Agreement and the terms of this Memorandum, the terms of the Agreement or Letter Agreement shall control in all respects.

Executed by Bonanza and 70 Ranch on the dates set forth in the acknowledgements below.

**BONANZA CREEK ENERGY OPERATING  
COMPANY LLC.**

By:   
Michael R. Starzer, CEO

**70 RANCH, LLC.**

By:   
Robert A. Lembke  
Manager

**Acknowledgements**

STATE OF COLORADO

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) ss.

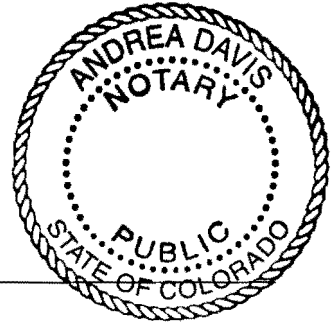
COUNTY OF DENVER

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The foregoing instrument was acknowledged before me this 19<sup>th</sup> day of January, 2012 by Michael R. Starzer, as Chief Executive Officer of Bonanza Creek Energy Operating Company LLC, a Delaware limited liability company, on behalf of the company.

Witness my hand and official seal.

My commission expires: 08/10/2014



Notary Public

My Commission Expires 08/10/2014

STATE OF COLORADO

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) ss.

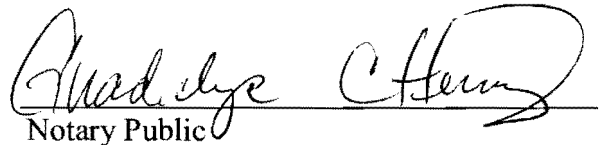
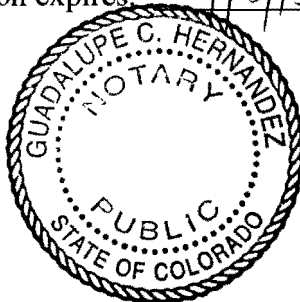
COUNTY OF ARAPAHOE

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The foregoing instrument was acknowledged before me this 19<sup>th</sup> day of January, 2012 by Robert A. Lembke, as Manager of 70 Ranch LLC, a Colorado limited liability company, on behalf of the company.

Witness my hand and official seal.

My commission expires: 4/8/13



Notary Public

EXHIBIT A  
to  
MEMORANDUM OF SURFACE USE AGREEMENT  
Between  
70 RANCH LLC and BONANZA CREEK ENERGY OPERATING COMPANY LLC

**70 Ranch Lands**

Township 5 North, Range 63 West, 6<sup>th</sup> P.M., Weld County, Colorado

Section 9: All  
Section 13: All  
Section 17: All  
Section 20: W/2, SE/4  
Section 21: All  
Section 22: All  
Section 23: All  
Section 24: All  
Section 25: All  
Section 27: All  
Section 28: NE/4NE/4  
Section 34: All  
Section 35: N/2

Township 4 North, Range 63 West, 6th P.M., Weld County, Colorado

Section 1: All  
Section 3: All  
Section 10: Portion of the N/2

Township 5 North, Range 62 West, 6th P.M., Weld County, Colorado

Section 3: W/2E/2  
Section 15: W/2, W/2E/2  
Section 17: All  
Section 18: All  
Section 19: All  
Section 20: All  
Section 21: All  
Section 29: All  
Section 31: All  
Section 33: All

Township 4 North, Range 62 West, 6th P.M., Weld County, Colorado

Section 3: NW/4  
Section 5: All  
Section 7: N/2NE/4

## **Bonanza Creek Energy Operating Company Leases**

1.     Date:           June 30, 2006  
       Lessor:       Rex Monahan and Doris Monahan  
       Lessee:       Bonanza Creek Energy Operating Company, LLC  
       Recorded:     June 30, 2006 at Reception No. 3400230
  
2.     Date:           November 19, 1982  
       Lessor:       William D. Farr  
       Lessee:       John Q. Moses  
       Recorded:     December 27, 1982 at Reception No. 01912357
  
3.     Date:           December 31, 2002  
       Lessor:       P. David Perkins  
       Lessee:       Rex Monahan  
       Recorded:     December 31, 2002 at Reception No. 3019621
  
4.     Date:           June 27, 1977  
       Lessor:       Champlin Petroleum Company  
       Lessee:       Amoco Production Company  
       Recorded:     August 17, 1977 at Reception No. 1727638
  
5.     Date:           March 10, 2004  
       Lessor:       The Travelers Insurance Company  
       Lessee:       Rex Monahan  
       Recorded:     April 16, 2004 at Reception No. 3171142
  
6.     Date:           October 28, 1972  
       Lessor:       Champlin Petroleum Company  
       Lessee:       Amoco Production Company  
       Recorded:     February 13, 1973 at Reception No. 1607054
  
7.             Date:       November 8, 1977  
               Lessor:     Champlin Petroleum Company  
               Lessor:     Amoco Production Company  
               Recorded:   Book 818, Reception No. 1739976
  
8.             Date:       February 5, 1980  
               Lessor:     James A. Park, etux.  
               Lessee:     Diversified Minerals  
               Recorded:   Book 901, Reception No. 1822992
  
9.             Date:       March 4, 1980  
               Lessor:     Reinhold Croissant  
               Lessee:     Diversified Minerals

- Recorded: Book 903, Reception No. 1825068
10. Date: March 4, 1980  
Lessor: Roland Croissant  
Lessee: Diversified Minerals  
Recorded: Book 903, Reception No. 1825070
11. Date: March 4, 1980  
Lessor: Harold Croissant  
Lessee: Diversified Minerals  
Recorded: Book 903, Reception No. 1825072
12. Date: March 4, 1980  
Lessor: Paul Croissant  
Lessee: Diversified Minerals  
Recorded: Book 903, Reception No. 1825074
13. Date: February 16, 1981  
Lessor: Kenneth Walters  
Lessee: Davis Oil Company  
Recorded: Book 936, Reception No. 1858233
14. Date: February 16, 1981  
Lessor: James J. Davis  
Lessee: Davis Oil Company  
Recorded: Book 937, Reception No. 1858550
15. Date: April 10, 1982  
Lessor: Wallace Rothe, etux.  
Lessee: Petro-Quest, Inc.  
Recorded: Book 969, Reception No. 1893256
16. Date: October 5, 1979  
Lessor: Ervin L. Mondt, etux.  
Lessee: Diversified Minerals  
Recorded: Book 901, Reception No. 1822964
17. Date: October 5, 1979  
Lessor: William E. Mondt, etux.  
Lessee: Diversified Minerals  
Recorded: Book 901, Reception No. 1822966
18. Date: October 5, 1979  
Lessor: Jack R. Mondt, etux.  
Lessee: Diversified Minerals

- Recorded: Book 901, Reception No. 1822968
19. Date: October 5, 1979  
Lessor: Dorothy Baldwin, etvir  
Lessee: Diversified Minerals  
Recorded: Book 901, Reception No. 1822970
20. Date: October 5, 1979  
Lessor: James R. Mondt, etux.  
Lessee: Diversified Minerals  
Recorded: Book 901, Reception No. 1822972
21. Date: October 25, 1984  
Lessor: Eva Pearl Humphrey  
Lessee: Rock Oil Corp.  
Recorded: Book 1048, Reception No. 1986886
22. Date: October 25, 1984  
Lessor: William J. Prichard, etux.  
Lessee: Rock Oil Corp.  
Recorded: Book 1048, Reception No. 1986885
23. Date: December 1, 1984  
Lessor: Dae G. Huck, a single man  
Lessee: Rock Oil Corporation  
Recorded: Book 1052, Reception No. 1992376
24. Date: December 1, 1984  
Lessor: James W. Harlan, etux.  
Lessee: Rock Oil Corporation  
Recorded: Book 1052, Reception No. 1992377
25. Date: December 1, 1984  
Lessor: Amerigo D. DiLauro, a widower  
Lessee: Rock Oil Corporation  
Recorded: Book 1054, Reception No. 1994350
26. Date: December 1, 1984  
Lessor: Hugh Joseph Huck, Jr., etux.  
Lessee: Rock Oil Corporation  
Recorded: Book 1054, Reception No. 1994351
27. Date: March 8, 2001  
Lessor: Herman G. Peterson, etux.  
Lessee: Sovereign Energy LLC

- Recorded: Reception No. 2842068
28. Date: March 8, 2001  
Lessor: Vera E. Peterson, a widow  
Lessee: Sovereign Energy LLC  
Recorded: Reception No. 2842069
29. Date: March 8, 2001  
Lessor: Sigrid Heinze, a widow  
Lessee: Sovereign Energy LLC  
Recorded: Reception No. 2842070
30. Date: March 8, 2001  
Lessor: Aderine L. Fredrich  
Lessee: Sovereign Energy LLC  
Recorded: Reception No. 2842072
31. Date: April 6, 2001  
Lessor: Ruth E. Bernhardt, a widow  
Lessee: Sovereign Energy LLC  
Recorded: Reception No. 2842074
32. Date: April 6, 2001  
Lessor: Marjory Peterson, a widow  
Lessee: Sovereign Energy LLC  
Recorded: Reception No. 2843791
33. Date: March 8, 2001  
Lessor: Terry D. Redman, a widow  
Lessee: Sovereign Energy LLC  
Recorded: Reception No. 2842071
34. Date: April 6, 2001  
Lessor: Lynn D. Redman, a widow  
Lessee: Sovereign Energy LLC  
Recorded: Reception No. 2842073
35. Date: April 6, 2001  
Lessor: LeRoy (Jim) Peterson, etux.  
Lessee: Sovereign Energy LLC  
Recorded: Reception No. 2843337
36. Date: April 6, 2001  
Lessor: John Peterson, etux.

- Lessee: Sovereign Energy LLC  
Recorded: Reception No. 2842076
37. Date: April 6, 2001  
Lessor: Jo Anne McCargar  
Lessee: Sovereign Energy LLC  
Recorded: Reception No. 2842075
38. Date: July 19, 2001  
Lessor: Randy Peterson, etux.  
Lessee: Sovereign Energy LLC  
Recorded: Reception No. 2869738
39. Date: January 15, 2002  
Lessor: Harvey C. Krautschun, etux.  
Lessee: Sovereign Energy LLC  
Recorded: Reception No. 2926047
40. Date: September 10, 2002  
Lessor: Iris A. Krautschun, a widow  
Lessee: Sovereign Energy LLC  
Recorded: Reception No. 3001029
41. Date: January 15, 2002  
Lessor: Roger D. Krautschun, etux.  
Lessee: Sovereign Energy LLC  
Recorded: Reception No. 2926048
42. Date: June 1, 2000  
Lessor: Bureau of Land Management  
Lessee: CFG Energy, Inc.  
Recorded: Reception No. 2790574