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Denver, CO 80202
(720) 440-6100 phone
(720) 279-2331 fax

Bonanzacr.com

January 8, 2018

State Board of Land Commissioners
Attn: Steve Freese and Christel Koranda
1127 Sherman Street, Suite 300
Denver, Colorado 80203

RE: Exception Location Waiver - COGCC Wattenberg Window and Twinning Rules (318A.a, 318A.c.)

State Antelope 41-11

State Antelope O-2-14XRLNB: NE/4 (270' FNL, 779' FEL) Sec 11-T5N-R62W, 6th PM, Weld County, CO

State Antelope 34-2-14XRLNB: NE/4 (290' FNL, 778' FEL) Sec 11-T5N-R62W, 6th PM, Weld County, CO

State Antelope T34-2-14XRLNB: NE/4 (310' FNL, 778' FEL) Sec 11-T5N-R62W, 6th PM, Weld County, CO

State Antelope T44-2-14XRLNB: NE/4 (330' FNL, 778' FEL) Sec 11-T5N-R62W, 6th PM, Weld County, CO

State Antelope 44-2-14XRLNB: NE/4 (350' FNL, 778' FEL) Sec 11-T5N-R62W, 6th PM, Weld County, CO

Mr. Freese and Ms. Koranda:

Bonanza Creek Energy Operating Company LLC ("Bonanza") intends to drill the above referenced Niobrara Formation horizontal oil and gas wells, to be located as described above.

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.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 to horizontal wells with sufficient lateral length in the producible zone; the wellhead surface locations have been staked outside of the associated GWA Window.

COGCC Rule 318A.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 same quarter-quarter. For safety reasons, multiple rows of wells have been staked with greater than 50' between rows of wellheads.

Bonanza respectfully requests you or your authorized agent sign the attached form and email the signed waiver to mmayer@bonanzacr.com. Please do not hesitate to call me, at (720) 440-6128, should you have any questions or concerns.

Sincerely,

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

Melissa Mayer
Operations Landman II



**SURFACE OWNER'S RESPONSE LETTER
COGCC Rule 318A.a and 318A.c Exceptions**

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Having reviewed Bonanza Creek Energy, Inc.'s letter **Surface Owner Waivers, COGCC Wattenberg Window and Twinning Rules** dated **January 8, 2018**, 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.a – Well location within a GWA Window

COGCC Rule 318A.c – Well location within 50' of an existing well

Signed and Dated this _____ day of _____, 2018.

SURACE OWNER or DESIGNATED REPRESENTATIVE:

By Chun Kenda By _____

Title: Minerals Director Title: _____

Designated Representative (if any)

Designated Representative (Agent): _____

Address: _____

Telephone: Home _____ Work _____