



SURFACE USE AGREEMENT AND GRANT OF EASEMENT

THIS SURFACE USE AGREEMENT AND GRANT OF EASEMENT ("Agreement") is entered into this 15th day of August, 2014 (the "Effective Date") by and between L&S Capital, Ltd. ("Owner") whose address is 800 N. Hwy 36, Byers, Colorado 80103, and Bonanza Creek Energy Operating Company, LLC, ("Company"), whose address is 410 17th Street, Suite 1400, Denver, Colorado 80202 (individually, a "Party;" and collectively, "the Parties").

WHEREAS, Owner owns an interest in part or all of the surface estate of the following described lands located in Weld County, Colorado (the "Property"):

Township 5 North, Range 61 West

Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 17: S/2, NW/4
Section 18: All

WHEREAS, Company owns certain oil and gas leasehold interests in the Property; and,

WHEREAS, by a Surface Use Agreement dated February 26, 2004 and recorded March 3, 2004 at Reception No. 3158468 in the real property records of Weld County, Colorado (the "2004 Surface Use Agreement"), Lloyd Linnebur and Shirley A. Linnebur granted CFG Energy, Inc. certain rights to access and use the Property in connection with CFG Energy, Inc.'s oil and gas operations;

WHEREAS, Company acquired and succeeded to the interest originally owned by CFG Energy, Inc., and Owner acquired and succeeded to the interest owned by Lloyd Linnebur and Shirley A. Linnebur;

WHEREAS, by an unrecorded Surface Use Agreement dated December 10, 2010 between the Parties (the "2010 Surface Use Agreement"), Owner granted Company certain rights to access and use the Property in connection with Company's oil and gas operations; and

WHEREAS, notwithstanding Company's rights to access and use the surface of the Property and in the spirit of joint cooperation, Company and Owner desire to supersede the 2004 Surface Use Agreement and 2010 Surface Use Agreement (collectively the "Prior SUA Agreements") by entering into this Agreement to reach an understanding and agreement regarding Company's surface access, use, and disturbance to the Property.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the compensation to be paid to Owner, as described herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Owner and Company agree as follows:

1. **Amendment and Restatement.** This Agreement supersedes the Prior SUA Agreements. To the extent that terms in this Agreement conflict with the terms set forth in the Prior SUA Agreements, this Agreement shall control.

2. **Grant of Access.** Company is hereby granted an easement, during the term of this Agreement, to drill any future wells on the Property, including horizontal and directional wells that produce from and drain all or portions of the Property, provided that such new surface locations must be located within the Operations Areas (as depicted on Exhibit A and described herein) and must be permitted locations under the then applicable well spacing regulations of the Colorado Oil and Gas Conservation Commission ("COGCC") or exceptions granted thereto by the Director of the COGCC or to the extent Owner waives such requirements pursuant to this Agreement or consents to modify Exhibit A. Owner further hereby grants and conveys to Company the right of ingress and egress on across and along the designated access roads or the right-of-way corridors depicted on Exhibit A (the "Access Corridors"), as well as rights-of-way for pipelines (that are used exclusively to facilitate the production of oil and gas from the Property or lands pooled therewith) in order to access the well Operations Areas, tank battery site

and/or production facility sites depicted on Exhibit A, together with the right to exclusive use by Company of the Operations Areas located on the surface of the Property, and to use, on a non-exclusive basis, the subsurface of the Property, all in the conduct of Company's Operations (as defined below). As depicted in Exhibit A, the Parties agree that the "Operations Areas" shall include the lands within: 600 feet to the south of the north section lines of Sections 5 and 6; the existing Pronghorn P-8 well pad located in the N/2NE/4 of Section 8; 600 feet to the north of the south section lines of Sections 7 and 8; 600 feet to the south of the north section lines of Sections 17 and 18; and 600 feet to the north of the south section lines of Sections 17 and 18. The Access Corridors shall be no greater than 100 feet in width and may be located on either side (but not both sides) of the section lines of the Property within the buffer zones depicted on Exhibit A. While Company has the option to elect which side of a section line to ultimately locate an Access Corridor, such Access Corridor shall be located entirely on one side of the respective section lines. With the consent of Owner, the Operations Areas and Access Corridors may be expanded to include additional lands on the Property, which consent shall be at Owner's discretion. Company is also granted a permanent easement, during the term of this Agreement, to conduct Operations on all existing vertical, horizontal, and directional wells drilled prior to the execution of this Agreement, which includes the right of ingress and egress on, across and along the existing access roads or rights-of-way to such wells, as well as rights-of-way for existing pipelines. Except as provided in Section 4, use of the Access Corridors shall be limited to Operations related to minerals underlying the Property or lands pooled therewith. As used in this Agreement, "Operations" shall mean any oil and gas operations, including, but not limited to, permitting, obtaining consents and waivers, environmental impact assessments and evaluations, surveying, seismic activity, water recycling, exploration, drilling, stimulation, completion, re-stimulation, re-completion, deepening, reworking, equipping, production, maintenance, plugging and abandoning of wells, together with accessing, inspection, construction, erection, installation, operation, maintenance, repair, removal, replacement, expansion, testing, updating, upgrade, ownership, and use of related facilities including gathering, storage, transportation and processing facilities, as well as associated flowlines, access roads, and related buildings, fencing, and equipment, as all of the foregoing may be related to vertical, directional, horizontal or lateral wellbores. All oil and gas wells, tank batteries, water tanks, or other production facilities shall be located on the Operations Areas, all Access Roads and Lines (as defined below) shall be located in the Access Corridors and Operations Areas. Except as provided in Section 3 below, all of Company's Operations on the Property shall be confined to the Access Corridors and the Operations Areas and, without prior approval from owner, Company shall not use any other portions of the Property for any purpose. Company will maximize the number of wells drilled from each drill pad and shall minimize the distance between wellheads within the Operations Areas to the extent practicable. Treatment and storage facilities shall be clustered to the extent practicable in order to minimize the land occupied thereby.

3. Grant of Subsurface Easement. Company is hereby granted a subsurface easement, anywhere on the Property, during the term of this Agreement, for passage of any portion of any wellbore for any of Company's oil or gas wells, whether producing or nonproducing, including the right to occupy and use the subsurface pore space displaced by the well bore and all structures appurtenant thereto. This subsurface easement is limited to wells drilled to produce oil and gas from the Property or lands pooled therewith.

4. Rights-of-Way for Third-Party Operations: Simultaneous with the execution of this Agreement, the Parties shall enter into a separate right-of-way agreement, attached as Exhibit B, that sets forth the terms by which Company may install Lines (as defined below in Section 8) that facilitate Company's oil and gas operations on lands that do not include the Property or lands pooled therewith ("Third-Party Lines"). For a period of three years from the Effective Date, Company shall have the option to place within the Access Corridors or Operations Areas additional Third-Party Lines. Upon exercise of such option, the Parties shall enter into a separate right-of-way agreement using the form attached as Exhibit B (with modifications to the legal description and exhibits depicting the Right-of-Way Lands). Any such Third-Party Lines installed by Company must also be used to facilitate Company's Operations on the Property or lands pooled therewith. Any Third-Party Lines that do not facilitate Company's Operations on the Property or lands pooled therewith will be subject to the mutual agreement of the Owner and Company and subject to a separate right-of-way agreement with compensation and terms to be negotiated on a case-by-case basis.

5. Temporary Water Tanks. Owner hereby grants and conveys to Company the right to locate one or more modular large volume temporary water tanks (a "Water Tank(s)") on the

Property within the Operations Areas together with the right of ingress, egress and access on and across the existing roads located on the Property to access the Water Tank(s). Owner also grants to Company the right to lay temporary above-ground water lines on the Property at locations convenient to transmit water from any the Water Tank(s) to the Access Corridors in connection with Company's oil and gas operations for the Wells. The Water Tanks and water lines referenced herein shall be used only for operations on the Property and lands pooled therewith.

6. Compensation. Company shall provide compensation as described in that certain letter agreement between Company and Owner dated as of August 15, 2014 ("Letter Agreement") entered into between Owner and Company, as full consideration for the rights of access and use of the Property as described herein and as full settlement and satisfaction of all damages growing out of, incident to, or in connection with usual and customary Operations located on the Property.

7. Access Roads.

(a) Grant. To the extent reasonably practical, Company shall use existing roads located in the Access Corridors to access the Operations Areas. Owner grants to Company a non-exclusive easement on and across the Property along the Access Corridors to construct one or more roads (an "Access Road") for ingress and egress by Company, in the event reasonably necessary for Company to access the Operations Areas and to conduct its Operations. Company will locate the centerline of new access roads, and existing access roads that are improved by forming ditches or applying road base on the governmental section line where owner owns both sides of the section and adjacent to the governmental section line where owner owns only one side of the section line.

(b) Construction. Access Roads shall be up to sixty feet, being thirty feet on each side of the centerline. Culverts shall be installed at ditch and drainage crossings when requested by Owner, and shall be sized to prevent obstruction to the free flow of the volumes of water being carried, inclusive of flood stages. Company shall protect all water sources and conveyance structures, including but not limited to the natural flow of creeks, wells, and ditches, from all Operations and shall immediately remedy any diversion, curtailment, or blockage of water flows or contamination of water sources. Upon Owner's written request, the Company shall construct cattle guards at all places where Company requires access through Owner's fences. Permanent gates shall be installed at each point where an Access Road intersects perimeter or cross fences. If Owner or Company elects to lock any gate on the Access Road, keys shall be provided to the other Party.

(c) Maintenance. The use and construction of any Access Roads shall not include a right of use by the general public, except where such access roads are within public rights-of-way. Company shall be responsible for maintaining all Access Roads and any existing roads utilized by Company, at Company's sole cost and expense, provided however, that Company may seek contribution for construction and maintenance costs from any third party, in the event Owner grants such third party an easement or right of way, or otherwise authorizes such third party to use any Access Road or existing road. Access Roads may be used free of cost by Owner or its authorized agents and contractors for Owner's agricultural operations.

8. Lines.

(a) Grant. Owner grants to Company access on, over, across and through the Property to construct, maintain, inspect, and operate lines, including but not limited to oil and gas flow lines, pipelines, gathering lines, telecommunication lines, electric lines, and water lines (together the "Lines"). Such Lines shall be located within the Access Corridors or the Operations Areas and shall be used exclusively for Company's oil and gas operations on the Property or lands pooled therewith. Lines that facilitate Company's oil and gas operation on other lands shall be installed pursuant to Section 4.

(b) Construction. All underground Lines shall be buried a minimum of forty-eight inches below the surface and Company shall, when reasonably practical, place all Lines in the same trench and along and adjacent to existing roads or Access Roads. Company may install as many Lines in a single trench as it desires. Company may also install temporary lines above ground, provided such temporary lines are removed within 180 days from the date of installation.

(c) Crossing Rights. Owner shall have the right to cross pipeline easements with roadways and other utilities provided that such crossing is made at an angle of not less than 60 degrees and not more than 90 degrees. Owner shall also have the right to install and maintain easements ("Owner's Easement(s)") that are both adjacent to, and/or within, the pipeline easements for utility lines, including those for water, gas, sewer, electric, telephone, cable, television, and fiber optic and other pipelines; provided, however: i) any new underground facilities that travel along a pipeline easement shall be located a distance horizontally of at least ten (10) feet from parallel existing pipelines; ii) any new underground facilities shall have at least twenty-four (24) inches of vertical clearance between such new facility and a pipeline; and iii) any overhead power lines shall be at least twenty (20) feet above the ground. Owner agrees that it will notify each utility company that, except in case of emergency, Company must be contacted at least ten (10) business days prior to commencement of any trenching or digging activities within ten (10) feet of their easement areas. Owner may place utilities in the Access Corridors so long as the locations thereof do not impair Company's access. If placement of the utilities in the Access Corridors impairs Company's access, Owner will adjust the affected Access Corridor to accommodate the Company's access.

9. General Operational Requirements.

(a) Weed/Dust/Erosion Control. Company shall keep the Operations Areas and Access Corridors free of weeds and debris and shall take reasonable measures to control erosion.

(b) Topsoil. In all Operations requiring the removal of soil, the topsoil will be separated from the subsurface soil and following the completion of Operations, Company will place the topsoil and subsurface soil back in proper order and restore the surface of the Property disturbed by such Operations to its original condition and contour as nearly as practicable.

(c) Water Testing. As required by applicable law or regulation, Company shall test Owner's well water or other surface water located on the Property prior to commencement of Operations on the Property.

(d) Damage to Property. If, by reasons directly resulting from the Operations of Company, or its contractor's there is damage to the Property, or real or personal property located on the Property, including, but not limited to, damage to livestock, structures, buildings, fences, culverts, cement ditches, irrigation systems, and natural water ways, the damage will be promptly repaired or such damaged property replaced by Company, or Company shall pay reasonable compensation to Owner for the damage or an amount equal to the reasonable costs to repair the damage. Any failure to reach mutual agreement with respect to such repair, replacement or compensation shall not, however, be deemed to constitute a breach or abrogation of this Agreement, nor to terminate or diminish the grants, conveyances, rights and obligations contained herein.

(e) Reclamation. Company agrees to perform all reclamation in accordance with the rules and regulations of the Colorado Oil and Gas Conservation Commission ("COGCC"), unless a variance is granted by the COGCC upon the request of Owner.

10. Notice/Consultation.

(a) Owner Consultation. Company will consult in good faith with Owner prior to commencing Operations on the Property with heavy equipment. Company will provide Owner with a copy of the COGCC Form 2A ("Oil and Gas Location Assessment") pertaining to the Property upon submission by the Company to the COGCC. Owner agrees not to object to the Form 2A, so long as it is consistent with this Agreement, and hereby waives any right granted by COGCC rule to comment on the Form 2A, to request an extension of the comment period, to request an onsite inspection pursuant to COGCC policy, or to appeal the approval and issuance of the Form 2A, and any related Form 2 ("Application for Permit to Drill") for the Well(s). Owner shall not oppose Company in any COGCC or other governmental proceedings related to Company's Operations, including but not limited to permitting, formation of drilling units, well spacing or pooling, provided that Company's position in such proceedings is consistent with this Agreement. Owner expressly acknowledges and agrees that this Agreement shall be deemed to be specifically applicable to, and to fully satisfy, the obligation of Company to reasonably accommodate Owner's use of the surface of the Property, existing or future, and waives any



statutory or common law claim to the contrary. Owner expressly acknowledges and agrees that this Agreement shall be deemed to be specifically applicable to, and to fully satisfy, the obligation of Company to reasonably accommodate Owner's use of the surface of the Property, existing or future, and waives any statutory or common law claim to the contrary. Owner acknowledges receiving from Company a brochure prepared by the COGCC which describes the rights and responsibilities of Owner as a surface owner.

(b) Surface Tenant Notice. Owner has requested that all consultation be conducted directly with Owner. Accordingly, Owner shall have the responsibility of notifying any affected surface tenant, surface lessee or other third party who may own or have an interest in any crops or surface improvements which could be affected by the Operations, and to allocate the payments made under this Agreement to the surface tenant, surface lessee or other third party as Owner and such parties shall mutually determine between themselves. Owner agrees that all damages claimed by a surface tenant, surface lessee or other such party resulting from the Operations shall be settled by Owner, and Owner hereby agrees to release, discharge, indemnify and hold Company harmless from and against any such claims.

11. Consents and Waivers.

(a) Throughout the term of this Agreement and for the consideration described herein, Company is hereby expressly granted consent to locate any number of wells within the Operations Areas, and for each well Company proposes within the Operations Areas, Owner shall fully support Company's efforts to permit such wells including granting consent to locate any well greater than fifty (50) feet from an existing well pursuant to COGCC Rule 318A.(c) and granting consent to locate any well outside of the GWA windows as defined in COGCC Rule 318A.(a).

(b) Owner will not locate any lot line, building, or structure within the Operations Areas, or within any setback area required under the COGCC rules and regulations that apply to the distance between a wellhead and public roads, production facilities, building units and surface property lines. Once wells are drilled, the setbacks therefrom shall be according to local regulations that establish setbacks of buildings from existing oil and gas facilities. In order to give full effect to the purposes of this Agreement, Owner hereby waives its right to object to the location of any of Company's facilities on the basis of setback requirements in the rules and regulations of the COGCC, as they may be amended from time to time or as may be provided in the Colorado Constitution or other state or local law, provided that in no event shall such waiver be construed as permitting any operation or location of any structure, improvement or equipment by Company. Company or its successors and assigns may cite the waiver in this paragraph in order to obtain a location exception or variance under COGCC rules or from any other state or local governmental body. Owner agrees not to object to Company's use of the surface so long as such use is consistent with this Agreement. Owner will provide Company or its successors and assigns with whatever written support they may reasonably require to obtain permits from the COGCC or any state or local jurisdiction.

12. Nonexclusive Use. The rights of Company to use the Property are nonexclusive, and Owner reserves the right to use all Access Roads and all surface uses of the Property, and upon consent of Company, which shall not be unreasonably withheld, to grant successive easements on or across the Property on such terms and conditions as Owner deems necessary or advisable, provided they do not unreasonably interfere with the operations of Company. Notwithstanding the foregoing, neither Owner nor any third party shall have the right to access the Operations Areas being used by Company for its Operations without the consent of Company, which in the case of any third party, may be withheld by Company in its sole discretion. In the event Company consents, access to the Operations Areas shall be at the sole risk of Owner or such third party. Within existing county road rights-of-way, Owner shall have the right to construct fences and access roads without the consent of Company.

13. Gas Storage. There shall be no underground gas storage or sequestration of any substances under the Property.

14. Pits. There shall be no pits located on the Property.

15. Disposal. There shall be no disposal of oilfield waste on the Property and there shall be no wells drilled thereon for injection of produced water, flow back fluids, or other liquid waste.

16. Activities on the Property. None of Company's employees, agents, or contractors, or any other person under the direction or control of Company shall be permitted to carry firearms or any other weapon on the Property and such persons shall not hunt, fish, or engage in recreational activities on the Property. No dogs will be permitted on the Property at any time. Company will notify all of its contractors, agents, and employees that no dogs, firearms, weapons, hunting, fishing, or recreational activities will be allowed on the Property. None of Company's employees, agents, or contractors, or any other persons under the direction or control of Company, shall possess or be under the influence of alcohol, marijuana, or illegal drugs while on the Property. Further, Company and its employees, agents, or contractors, or any other person under the direction or control of Company shall not remove artifacts and other non oil and gas materials from the Property.

17. Use of Property. Company's use of the Property is limited to those uses and locations set forth in this Surface Use Agreement and the Right-of-Way Grant.

18. Default and Termination. In the event of the failure by Company to timely make any payment required under this Agreement or to otherwise comply with all terms of this Agreement, Owner shall notify Company in writing of the failure. Company shall then have thirty (30) days after receipt of the notice to cure the default.

19. Authority. Owner represents and warrants that Owner has the right, power, and authority to enter into this Agreement. Owner further represents that Owner is lawfully entitled to receive payments due under this Agreement and that there exist no liens, judgments or other encumbrances pursuant to which third parties claim, may claim, or are entitled to such payments and Owner agrees to release, defend, and hold Company harmless for any breach of these representations.

20. Term. Each of the Parties covenants and agrees that it shall strictly observe the terms and conditions regarding surface occupancy set forth in this Agreement. This Agreement, and the rights and benefits granted and created herein shall be effective as of the Effective Date and shall continue in full force and effect until permanent cessation of Operations being conducted on the Property, and in such event, Company has plugged and abandoned all wells owned or operated by Company and has complied with all requirements of all applicable oil and gas leases and applicable laws, rules and regulations pertaining to removal of equipment and reclamation.

21. Liability/Indemnification. Company hereby agrees to release, discharge, indemnify and hold Owner harmless from and against any and all third party claims, losses, liability, damages, and causes of action for personal injury or property damage arising out of Company's Operations, unless, and to the extent that, the negligence or willful misconduct of Owner, or invitee or guest of Owner, causes or contributes to such third party claims. This indemnification extends to any action by a government agency with jurisdiction over the Operations under an environmental law or regulation.

22. Environmental Indemnity.

(a) Company shall protect, indemnify, and hold harmless Owner, and any subsequent owner of the Property from any Environmental Claims relating to the Property or oil and gas leasehold thereunder that arise from Operations located on the Property; provided, however, Company will not protect, indemnify, and hold harmless Owner, and any subsequent owner of the Property from any Environmental Claim arising out of a pre-existing condition which existed on the Property at the time Company executed this Agreement. Owner shall fully protect, defend, indemnify and hold harmless Company, along with any of Company's successors or assigns, from any and all Environmental Claims relating to the Property that arise out of Owner's use of the Property.

(b) "Environmental Claims" shall mean all Claims asserted by governmental bodies or other third parties for pollution or environmental damage of any kind, arising from Operations on or ownership of the Property or ownership of the oil and gas leasehold interest, whichever is

applicable, and all cleanup and remediation costs, fines and penalties associated therewith, including, but not limited to, any Claims arising from Environmental Laws. Environmental Claims shall not include the costs of any remediation undertaken voluntarily by any Party, unless such remediation is performed under the imminent threat of a Claim by a governmental body or other third party.

(c) "Claim" shall mean any and all losses, claims, damages, judgments, fines or liabilities, including reasonable legal fees or other expenses incurred in investigating or defending against such losses, claims, damages, judgments, fines or liabilities, and any amounts expended in settlement of any claims.

(d) "Environmental Laws" shall mean any laws, regulations, rules, ordinances, or order (whether currently existing or hereafter adopted) of any federal, state or local governmental authority(ies), which relate to or otherwise impose liability, obligation, or standards with respect to pollution or the protection of the environment, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601, et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §§ 6901, et seq.), the Clean Water Act (33 U.S.C. §§ 466, et seq.), the Safe Drinking Water Act (14 U.S.C. § 1401, et seq.), the Hazardous Material Transportation Act (49 U.S.C. §§ 1801, et seq.), the Clean Air Act (42 U.S.C. § 7401, et seq.), and the Toxic Substances Control Act (15 U.S.C. § 2601, et seq.).

(e) Owner represents that Owner has no actual knowledge of any material latent condition or defect on the Property that would subject Company to an Environmental Claim.

23. Lien waiver. Owner waives any and all lien rights it may now or later have in equipment installed on the Property pursuant to Operations. Owner agrees to keep the Property free and clear of liens and shall immediately notify Company if it becomes aware of any liens filed against the Property.

24. Right to cure. As of the Effective Date, there are no defaults with respect to any assessment(s), deed(s) of trust, mortgage(s), services, taxes, utilities or other interests related to the Property. Owner shall pay as and when due all amounts Owner (or any person acting on behalf of, by, or through Owner) owes for or in connection with any: assessments, taxes or governmental charges of any kind that may at any time be lawfully assessed or levied against the Property; encumbrances; leases; mortgages; deeds of trust; other security interests; services; utilities; or other interests related to the Property and/or that may create an interest in the Property. Owner shall satisfy all non-monetary obligations of Owner associated with such matters, failing which Company may (but shall have no obligation to) pay such amounts and/or perform such obligations. In order to enable any such potential payment or performance by Company, Owner agrees to give Company notice of any Owner default in connection with the payment or performance of Owner's obligations pursuant this Section 23. Company shall when possible give Owner notice before paying such amounts or performing such obligations. In the case of such payment or performance by Company, Owner shall, within sixty (60) days after notice from Company, reimburse Company for the amount of such payment and/or the cost of such performance, or, at Company's option, Company may offset the amounts paid or costs incurred against sums to be paid Owner under this Agreement.

25. Miscellaneous.

(a) Interpretation. Each use of the terms "Owner" and "Company" in this Agreement shall be deemed to mean such Party and its agents, employees, assigns, directors, managers, or successors in interest. In construing this Agreement, no consideration shall be given to the fact or presumption that one Party has had a greater or lesser hand in drafting this Agreement than any other Party.

(b) Notice. All notices required by this Agreement shall be in writing and shall be served personally or by first-class mail, postage prepaid to the following:

If to Owner:

L&S Capital, Ltd.
800 N. Hwy 36

Byers, Colorado 80103
Phone: [720-244-6775]

If to Company:

Operator: Bonanza Creek Energy Operating Company, LLC
Person to Contact: Caroline Heuring
Address: 410 17th Street, Suite 1400
Denver, Colorado 80203
Phone Number: 720-440-6100
Fax: 720-305-0804
Email Address: CHEuring@bonanzacrk.com

Toll Free 24-Hour Emergency Phone Number: 1-800-578-5610

(c) Full Agreement. This Agreement supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of Owner (including principals of Owner) and Company pertaining to the subject matters of this Agreement. No supplement, amendment, or alteration or modification of this Agreement shall be binding unless executed in writing by Owner and Company.

(d) Governing Law. This Agreement shall be subject to, and construed under, the laws of the State of Colorado, without regard to its conflict of law provisions, and jurisdiction and venue shall be solely in the courts of the State of Colorado, subject to the right of either Party to remove a matter to federal court.

(e) Regulations. Company shall comply with all Colorado Oil and Gas Conservation Commission rules and regulations.

(f) Proportionate Reduction. Any compensation due to Owner under this Agreement shall be proportionately reduced by the percentage of Owner's fee ownership of the Property.

(g) Covenant Running with the Land. This Agreement is a covenant running with the land and the terms, conditions and provisions of this Agreement shall extend to and be binding upon the Parties to this Agreement, their heirs, executors, administrators, successors, and assigns. Owner will provide a copy of this Agreement to any potential successor or assign of Owner prior to the closing of any sale of all or any portion of the Property. In addition, Owner agrees to include a note on any annexation, subdivision plat, planned unit development or other land use designation for which Owner may apply to put successors or assigns on notice that the Property is subject to this Agreement.

(h) Counterparts. This Agreement may be executed by in any number of counterparts, each which shall be deemed an original instrument, but all of which together shall constitute but one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have executed this Agreement this 15th day of August, 2014.

OWNER:
L&S CAPITAL, LTD.

Frank Linnebur
By: Frank Linnebur
Title: Vice President of Progressive Farms Mgt, Inc
Mark Linnebur General Partner of L&S Capital, Ltd.
By: Mark Linnebur
Title: President of Progressive Farms Mgt, Inc,
G.P. of L&S CAPITAL, LTD

COMPANY:
BONANZA CREEK ENERGY OPERATING COMPANY, LLC

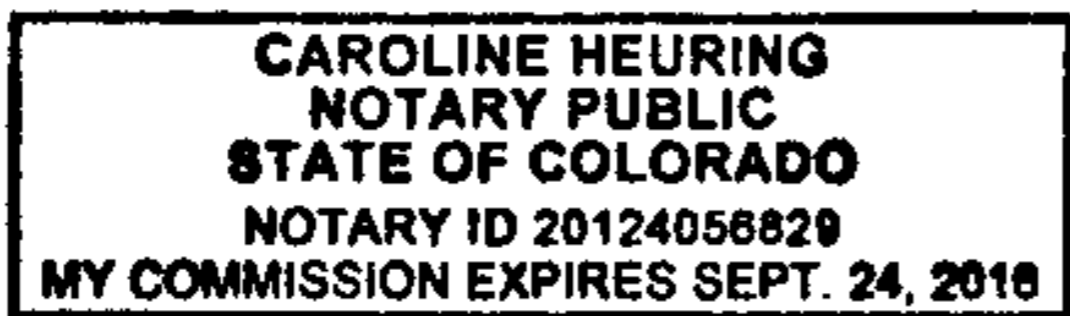
Curt Moore
By: Curt Moore
Title: Vice President, Land

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this 15th day of August, 2014, by Frank Linnebur, V.P. of Progressive Farms Management, G.P. of of L&S Capital, Ltd.

Witness my hand and official seal.

My commission expires: 9/24/2016



Caroline Heuring
Notary Public

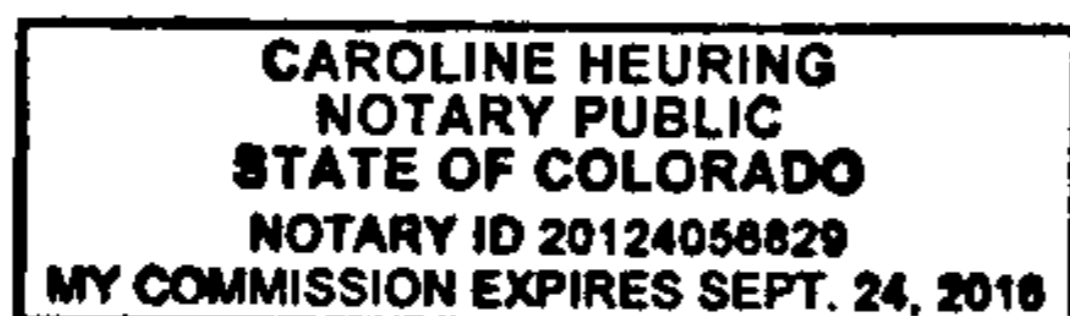
(SEAL)

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this 15th day of August, 2014, by Mark Linnebur, President of of L&S Capital, Ltd.
Progressive Farms Management G.P. of

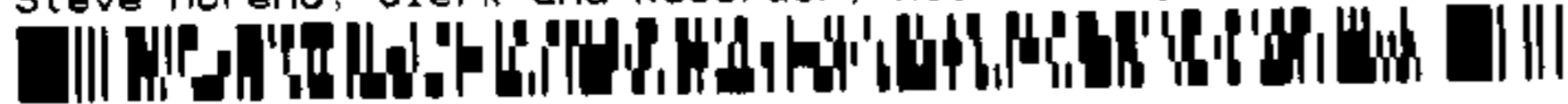
Witness my hand and official seal.

My commission expires: 9/24/2016



Caroline Heuring
Notary Public

(SEAL)



**EXHIBIT B
RIGHT-OF-WAY GRANT**

THIS RIGHT-OF-WAY GRANT ("Grant") is made this 15th day of August, 2014, from **L & S Capital, Ltd**, whose address is 800 North Highway 36, Byers, Colorado 80103 ("Grantor," whether one or more), to **Bonanza Creek Energy Operating Company, LLC**, a Colorado limited liability company, 410 17th Street, Suite 1400, Denver, Colorado 80202 ("BCEOC"). The parties agree as follows:

For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby grants, conveys and warrants unto BCEOC, its successors and assigns, a right-of-way and easement to survey, construct, maintain, inspect, operate, repair, alter, replace, modify, change the size of, reconstruct, mark, monitor, abandon or remove and release, at BCEOC's election, one or more pipelines, electric power lines, and data transmission lines and equipment and all appurtenances, below and/or above ground, necessary or convenient for the transportation or transmission of oil, gas, petroleum products, water, electricity, electronic data, hydrocarbons and any other substances, whether electronic, fluid, solid or gaseous, and any products, derivatives, combinations or mixtures of any of the foregoing, under and through the lands situated in Weld County, State of Colorado, described below:

TOWNSHIP 5 NORTH, RANGE 61 WEST, 6TH PM

Section 5: All
Section 6: All
Section 7: All
Section 8: All

The route and course of the right-of-way and easement conveyed hereby ("Right-of-Way Lands") are more particularly described on Exhibit A attached hereto and made a part hereof. The width of the Right-of-Way Lands is fifty feet (50') during construction, and subsequent to construction the width of the Right-of-Way Lands is thirty feet (30'). Grantor agrees that upon request from BCEOC, the parties will execute a Notice of Pipeline Location along with an as-built survey plat to amend the description of the Right-of-Way Lands.

BCEOC shall have all rights, privileges, and benefits necessary or convenient for the full use and enjoyment of this Grant including but not limited to the rights of ingress and egress over and across the section lines and existing access roads on Grantor's lands lying adjacent to the Right-of-Way Lands for any and all purposes necessary to exercising BCEOC's rights hereunder, with the further right of entry to maintain the easement herein granted clear of trees, undergrowth, brush, structures, and any other items, to the extent BCEOC deems necessary in the exercise of the rights granted herein. BCEOC shall not be liable for customary and normal damages caused by keeping said Right-of-Way Lands clear of trees, undergrowth, brush, structures, or any other obstructions. However, BCEOC shall reclaim the disturbed ground.

From time to time after the initial construction of the pipeline(s), BCEOC may require the use of the Right-of-Way Lands to survey, construct, maintain, inspect, operate, repair, alter, replace, modify, change the size of, reconstruct, mark, monitor, abandon or remove the pipeline(s) together with appurtenances. BCEOC may use the Right-of-Way Lands from time to time in connection with the rights granted hereby, provided it gives Grantor reasonable notice of such use and provided further that it restores the same as provided below when not in use.

Grantor represents and warrants to BCEOC that Grantor is the sole owner in fee simple of the Right-of-Way Lands subject to the burden of the Right-of-Way and that Grantor has full right, power and authority to enter into this Grant.

Any pipelines and/or appurtenances to be constructed underground pursuant to this Grant shall be placed at a depth of not less than 48 inches below the surface of the ground. Grantor agrees not to increase or decrease the surface elevation on the Right-of-Way Lands without BCEOC's prior written permission. BCEOC shall repair and/or restore any fence(s) on or adjacent to the Right-of-Way Lands that are removed or severed by BCEOC in the course of the operations provided for in this Grant to the condition such fence was in prior to its removal or severance by BCEOC. If necessary to prevent the escape of Grantor's livestock, BCEOC shall construct temporary gates or fences in those areas affected by BCEOC's operations as provided for in this Grant.

To the extent reasonably practicable and within a reasonable period of time after completion of construction, BCEOC shall level and restore any lands affected by BCEOC's operations that have excessive settling and shall sufficiently compact the soil to the condition that existed at the time immediately prior to the placement of BCEOC's pipeline(s). BCEOC shall

reseed all lands affected by BCEOC's operations at reasonable intervals during adequate seasons until vegetation is re-established.

Grantor agrees that at BCEOC's option, BCEOC may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the lands burdened by the Right-of-Way easement. If BCEOC exercises such option, BCEOC shall be subrogated to the rights of the party to whom payment is made, and in addition to its other rights, may reimburse itself out of any rentals, royalties, shut-in royalties, or any other amounts otherwise payable to Grantor from BCEOC.

Grantor agrees that Grantor will not build, create, or construct, or permit to be built, created or constructed, any obstruction, building, reservoir, engineering works or other structures or improvements over, under, on or across the Right-of-Way Lands without the prior written consent of BCEOC. Within existing county road rights-of-way, Grantor shall have the right to construct fences and access roads without the consent of BCEOC. The Grantor shall have the right to cross pipeline easements with roadways and other utilities provided that such crossing is made at an angle of not less than 60 degrees and not more than 90 degrees. Grantor shall also have the right to install and maintain easements that are both adjacent to, and/or within, the pipeline easements for utility lines, including those for water, gas, sewer, electric, telephone, cable, television, and fiber optic and other pipelines; provided, however: i) any new underground facilities that travel along a pipeline easement shall be located a distance horizontally of at least ten (10) feet from parallel existing pipelines; ii) any new underground facilities shall have at least twenty-four (24) inches of vertical clearance between such new facility and a pipeline; and iii) any overhead power lines shall be at least twenty (20) feet above the ground. Grantor agrees that it will notify each utility company that, except in case of emergency, Grantee must be contacted at least ten (10) business days prior to commencement of any trenching or digging activities within ten (10) feet of their easement areas.

BCEOC shall be obligated to pay for, repair, replace or otherwise compensate Grantor for any damages resulting from BCEOC's activities and operations on the Right-of-Way Lands, except for any damage to structures or improvements placed in the Right-of-Way Lands contrary to the terms contained herein, and Grantor shall pay for, reimburse, indemnify and hold BCEOC harmless from any and all claims or damages resulting from Grantor's activities on the Right-of-Way Lands. Grantor shall have the right to use and enjoy the Right-of-Way Lands, subject to the rights herein granted.

This Grant cannot be modified, except by an instrument in writing signed by Grantor and by an authorized representative of BCEOC.

The rights granted herein may be assigned in whole or in part, and the terms, conditions, and provisions of this Grant are a covenant running with the land and shall extend to and be binding upon the successors and assigns of Grantor and of BCEOC.

The right-of-way granted herein shall expire by its own terms if it has not been used for a continuous period of two years.

BCEOC shall record an original of this Right-of-Way Grant in the records of the County in which the Right-of-Way Lands are located. By recording this Right-of-Way Grant, BCEOC shall be deemed to have accepted all of the terms and conditions hereof.

IN WITNESS WHEREOF, Grantor has executed and delivered this Right-of-Way Grant as of the date first above written.

Grantor:
L&S Capital, Ltd.

BCEOC:

Frank Linnebur Vice President

By: Frank Linnebur
Title: *of Progressive Farms Mgt, Inc*

Curt Moore

By: Curt Moore *Oct 15*
Title: Vice President, Land

Mark L. G.P. of L&S CAPITAL, LTD.

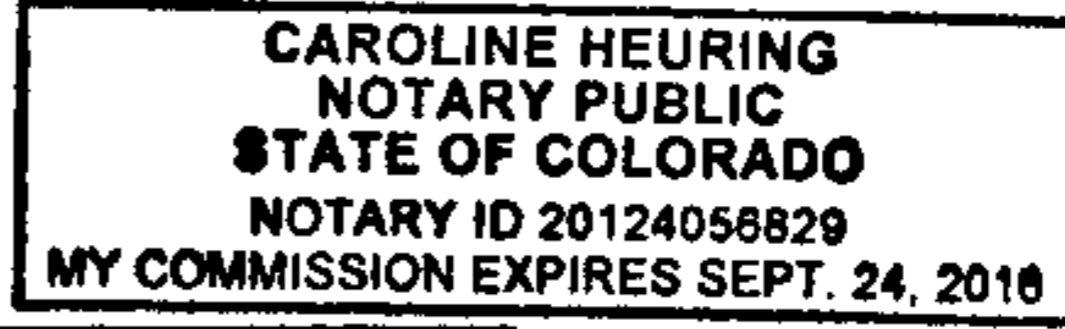
By: Mark Linnebur
Title: *President of Progressive Farms Mgt, Inc,*
G.P. of L&S CAPITAL, LTD

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this 15th day of August, 2014, by Frank Linnebur, V.P. of Progressive Farms Management, G.P. of L&S Capital, Ltd.

Witness my hand and official seal.

My commission expires: 9/24/2016



Caroline Heuring
Notary Public

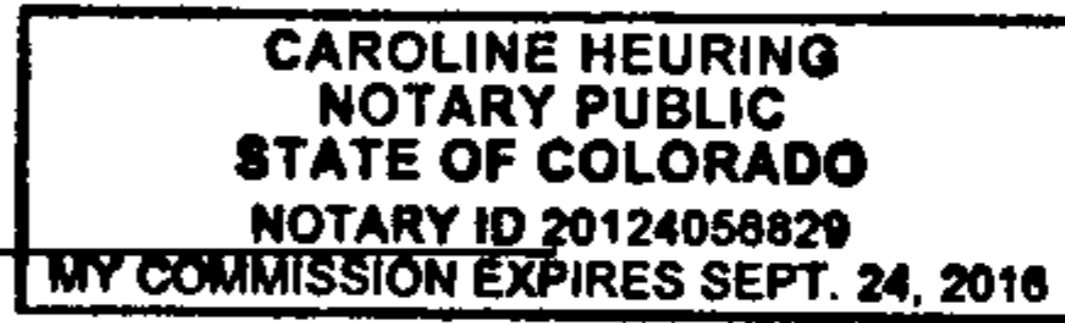
(SEAL)

STATE OF COLORADO)
) ss.
COUNTY OF Denver)

The foregoing instrument was acknowledged before me this 15th day of August, 2014, by Mark Linnebur, President of Progressive Farms Management, G.P. of L&S Capital, Ltd.

Witness my hand and official seal.

My commission expires: 9/24/2016



Caroline Heuring
Notary Public

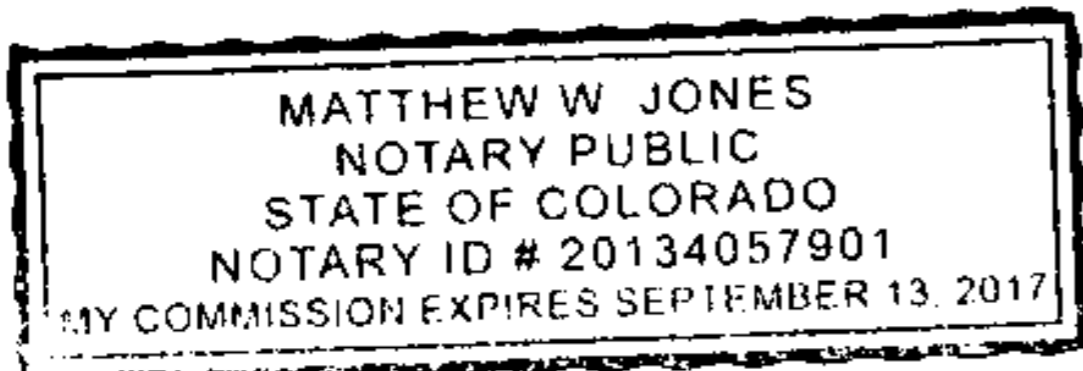
(SEAL)

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 12th day of August, 2014, by Curt Moore, Vice President of Bonanza Creek Energy Operating Company, LLC.

Witness my hand and official seal.

My commission expires: 9/13/2017



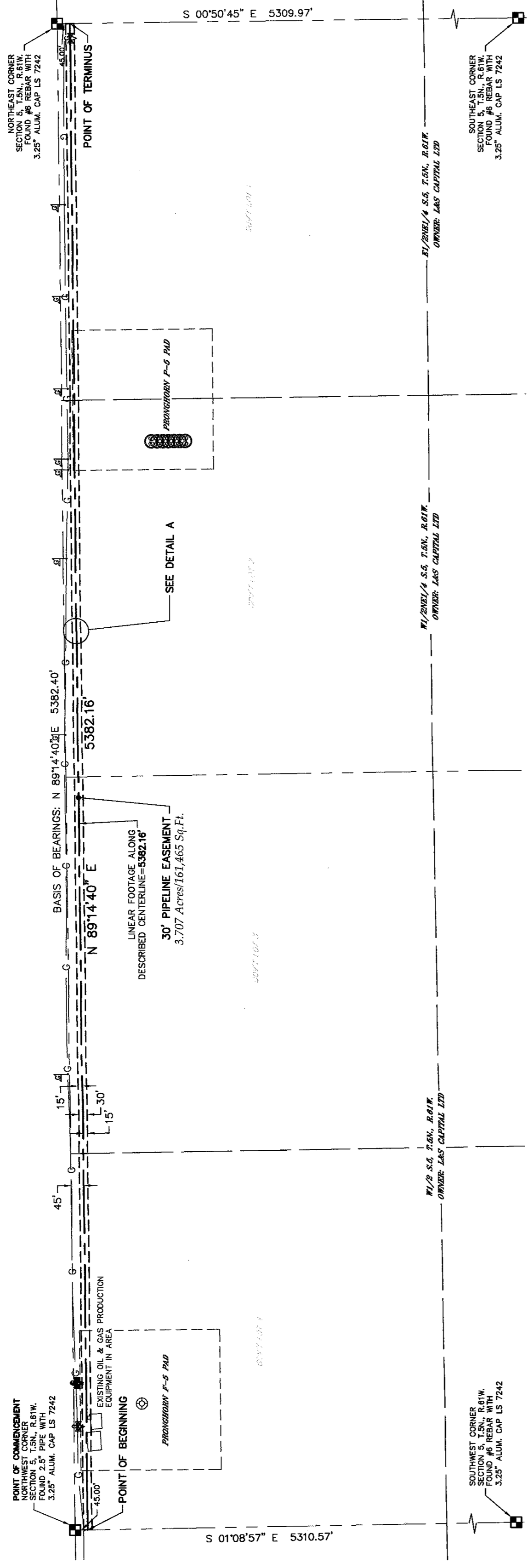
Matthew W. Jones
Notary Public

(SEAL)

PIPELINE EASEMENT EXHIBIT A

A Portion of the North-half of the North-half of
Section 5, Township 5 North, Range 61 West of the 6th P.M.,
County of Weld, State of Colorado

4639161
Plat No. 14 of 18
19,083 SQ. FT. (0.43 AC.)
S 01°08'57" E 5310.57'
S 00°50'45" E 5309.97'



PROPERTY DESCRIPTION

A strip of land for easement purposes being Thirty (30) feet in width, and being a portion of the North-half of the North-half (N1/2N1/2) of Section Five (5), Township Five North (T.5N.), Range Sixty-one West (R.61W.), of the Sixth Principal Meridian (6th P.M.), County of Weld, State of Colorado, the centerline of which being more particularly described as follows:

COMMENCEMENT at the Northwest corner of said Section 5 and assuming the North line of said Section 5 as bearing North 89°14'40" East, temporary construction easements (T.C.E.) being Ten (10) feet in width and coincident thereto; American Datum 1983/2007, a distance of 5382.40 feet with all other bearings contained herein being relative thereto;

The linear dimensions as contained herein are based upon the "U.S. Survey Feet."

THENCE South 01°08'57" East along the West line of said Section 5 a distance of 45.00 feet to the **POINT OF BEGINNING**;

THENCE North 89°14'40" East along a line being Forty-five (45) feet South of and parallel with the North line of said Section 5 a distance of 5382.16 feet to the East line of said Section 5 and to the **POINT OF TERMINUS**; from said point the Northeast corner of said Section 5 bears North 00°50'45" West a distance of 46.00 feet;

Said strip contains 3.707 Acres (161,465 sq. ft.) more or less (+/-), and is subject to any rights-of-way or other easements of record as now existing on said described parcel of land;

TOGETHER WITH Two (2) temporary construction easements (T.C.E.) being Ten (10) feet in width and coincident with the North and South sidelines of the aforesaid easement;

Said temporary construction easements contain 2.471 Acres (107,640 sq. ft.) more or less (+/-), and is subject to any rights-of-way or other easements of record as now existing on said described parcel of land;

The sidelines of said easements are to be prolonged or shortened to terminate at the West line of said Section 5 at the West end and at the East line of said Section 5 at the East end.

TITLE COMMITMENT NOTE

At the request of our client, recorded rights-of-way and easements were not researched and recorded and apparent rights-of-way and easements are not shown herein. (36-51-106 C.R.S.)

NOTE

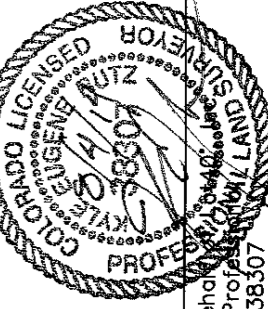
According to Colorado law, you must commence any legal action based upon any defect in this survey within three years after you discover such defect. In no event, may any action based upon any defect in this survey be commenced more than ten years after the date of the certificate shown herein. (13-80-105 C.R.S.)

TOTAL LINEAR FOOTAGE ALONG DESCRIBED CENTERLINE = 5382.16'

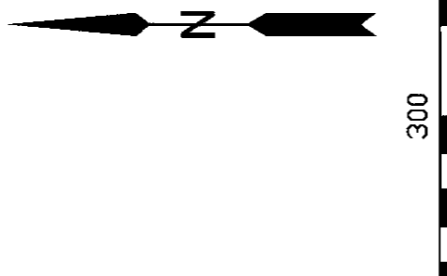
TOTAL AREA OF DESCRIBED PERMANENT EASEMENT = 3.707 Acres

SURVEYOR'S STATEMENT

I, Kyle E. Rutz, a Colorado Licensed Professional Land Surveyor, do hereby state that this Easement Exhibit was prepared from an actual survey under my personal supervision, that the monumentation as indicated herein was placed by me or under my direct supervision, and that the foregoing plat is an accurate representation thereof, all this to the best of my knowledge, information and belief.

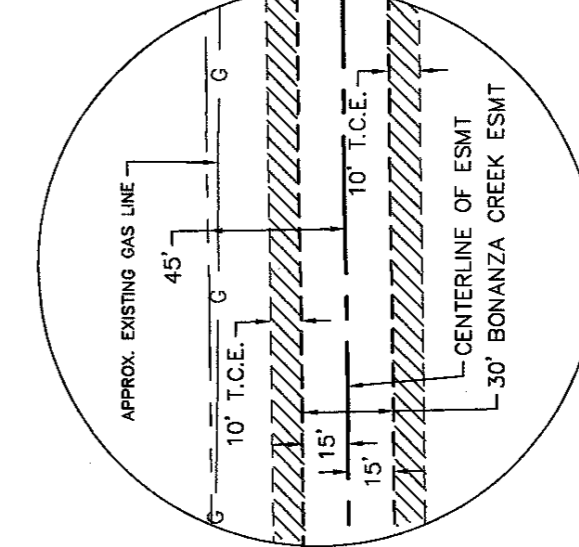


Kyle E. Rutz-On Behalf of
Colorado Licensed Professional Land Surveyor No. 38307



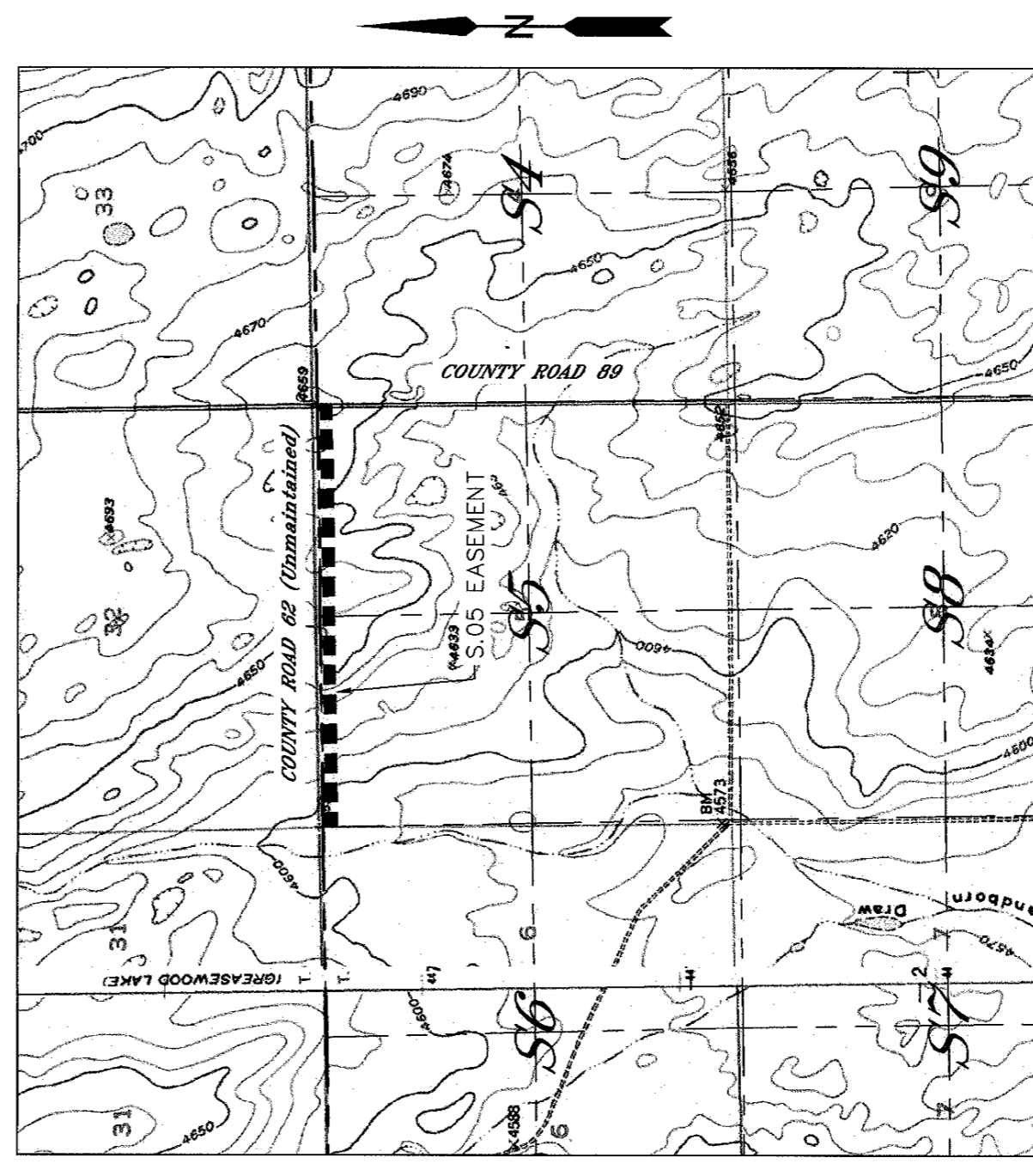
LEGEND

- CENTERLINE EASEMENT
- - - EASEMENT BOUNDARY
- - - SECTION LINE
- - - QUARTER SECTION LINE
- - - TEMPORARY CONSTRUCTION EASEMENT
- ⊠ FOUND ALIQUOT CORNER AS DESCRIBED
- ⊕ SET ALIQUOT CORNER AS DESCRIBED

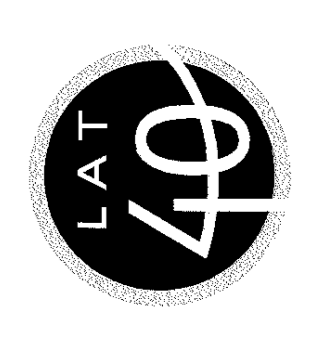


DETAIL A

(NOT TO SCALE)



| | | | | | | | | | | | |
|----------------------------------------------------------------------------------------------|------------------------|------------|--------------|-----------|-----|-------------|-----|--------|---------|----------------|---------|
| DATE: | 2/20/2014 | FILE NAME: | 2013184ESMNT | DRAWN BY: | JSA | CHECKED BY: | AMK | SCALE: | 1"=300' | PROJECT #: | 2013184 |
| REVISIONS: | EXTENDED TO E. LINE S5 | DATE: | 7/29/14 | | | | | | | | |
| EASEMENT EXHIBIT FOR BONANZA CREEK ENERGY, INC. 410 17TH STREET, SUITE 1500 DENVER, CO 80202 | | | | | | | | | | | |
| | | | | | | | | | | Page 1 of 4 | |

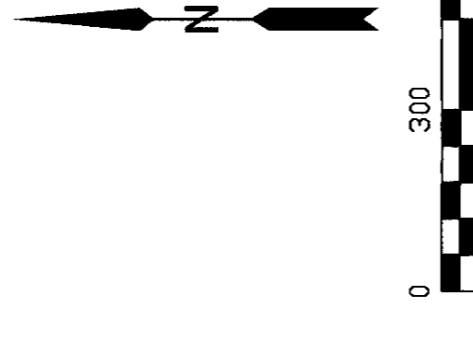
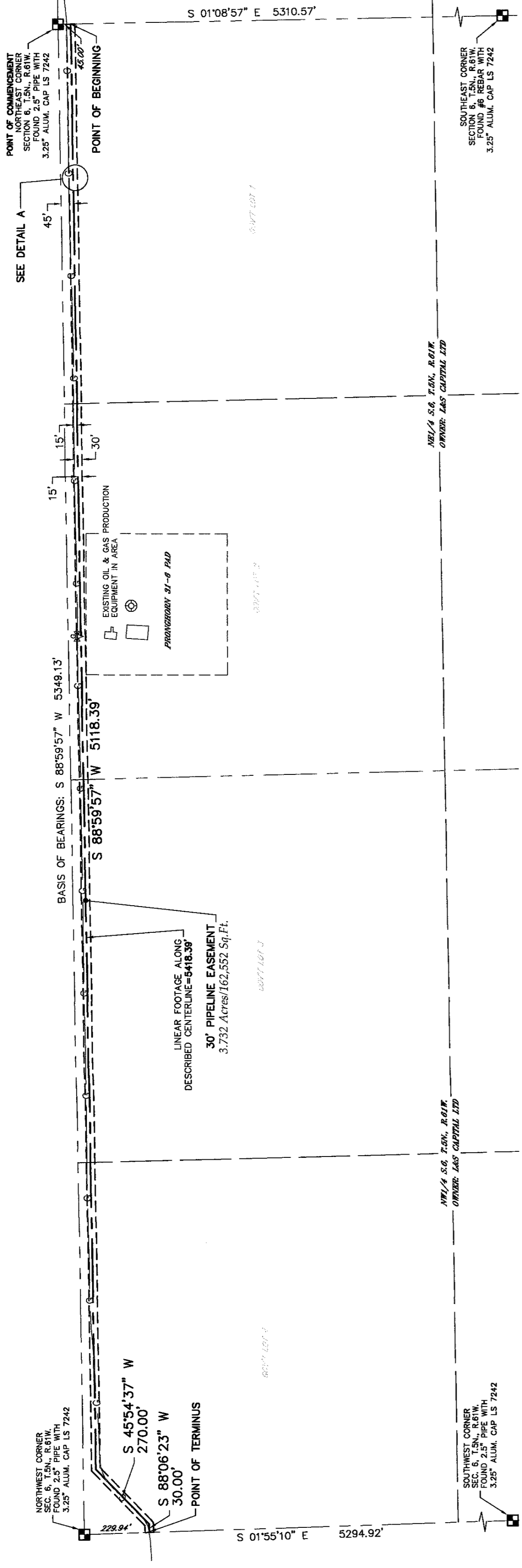


Lat40, Inc.
Professional Land Surveyors
1635 Foxtrail Drive, Suite 325
Loveland, CO 80538
O: 970-776-3321

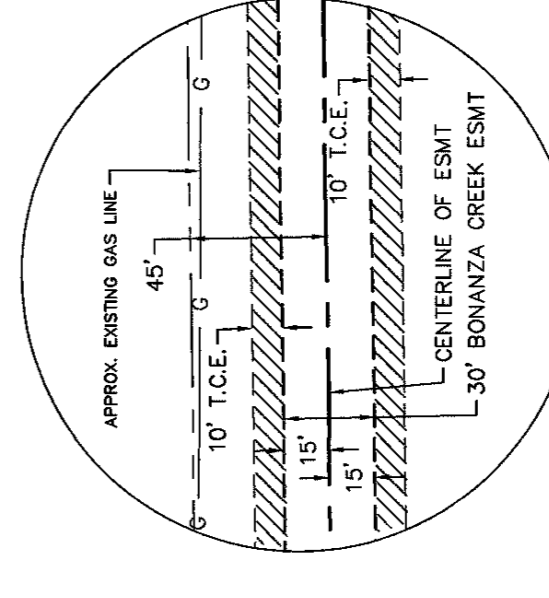
PIPELINE EASEMENT EXHIBIT A

A Portion of the North-half of the North-half of
Section 6, Township 5 North, Range 61 West of the 6th P.M.,
County of Weld, State of Colorado

4033161
Pages: 15 of 18
Survey No. 15
Scale: 1" = 300'
Date: 7/29/14



| LEGEND | |
|--------|-----------------------------------|
| — | CENTERLINE EASEMENT |
| - - - | EASEMENT BOUNDARY |
| — | SECTION LINE |
| - - - | QUARTER SECTION LINE |
| — | TEMPORARY CONSTRUCTION EASEMENT |
| ■ | FOUND ALIQUOT CORNER AS DESCRIBED |
| ● | SET ALIQUOT CORNER AS DESCRIBED |



PROPERTY DESCRIPTION:
A 45° of land for easement purposes being Thirty (30) feet in width, and being a portion of the North-half of the North-half (N1/2N1/2) of Section Six (6) Township Five (5) North (T5N), Range Sixty One (61) West of the Sixth Principal Meridian (6th P.M.), County of Weld, State of Colorado, the centerline of which being more particularly described as follows:

COMMENCEMENT: at the Northeast corner of said Section 6 and assuming the North line of said Section 6 as bearing South 88°59'57" West, being a grid bearing of the Colorado State Plane Coordinate System, North Zone, North American Datum 1983/2007, a distance of 5348.13 feet with all other bearings contained herein being relative thereto.

The lineal dimensions are contained herein are based upon the "U.S. Survey Foot."

THENCE: South 01°08'57" East along the East line of said Section 6 a distance of 45.00 feet to the **POINT OF BEGINNING;**

THENCE: South 88°59'57" West along a line being Forty-five (45) feet South of and parallel with the North line of said Section 6 a distance of 5118.39 feet

THENCE: South 45°54'37" West a distance of 270.00 feet;

THENCE: South 88°06'23" West a distance of 30.00 feet to a point on the West line of said Section 6 and to the **POINT OF TERMINUS;** from said point the Northwest corner of said Section 6 bears North 01°55'10" West a distance of 228.94 feet;

Said 45° of land contains 3.732 Acres (169,569 sq. ft.) more or less (±), and is subject to any rights-of-way or other easements of record as now existing on said described parcel of land.

TOGETHER WITH: Two (2) temporary construction easements (T.C.E.) being Ten (10) feet in width and coincident with the North and South sidelines of the aforesaid easement.

Said temporary construction easements contain 2.488 Acres (108,368 sq. ft.) more or less (±), and is subject to any rights-of-way or other easements of record as now existing on said described parcel of land.

The sidelines of said easements are to be prolonged or shortened or terminated at the East line of said Section 6 at the East end and at points perpendicular to the Point of Terminus at the West end.

TITLE COMMITMENT NOTE

At the request of our client, recorded rights-of-way and easements were not researched and recorded and apparent rights-of-way and easements are not shown hereon. (39-51-106 C.R.S.)

NOTE

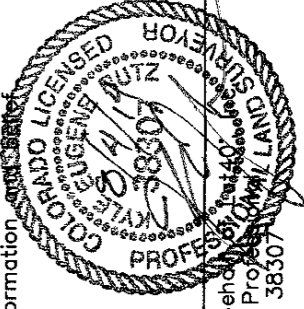
According to Colorado law, you must commence any legal action based upon any defect in this survey within three years after you discover such defect. In no event, may any action based upon any defect in this survey be commenced more than ten years after the date of the certificate shown hereon. (13-80-105 C.R.S.)

TOTAL LINEAR FOOTAGE ALONG DESCRIBED CENTERLINE = 5448.39'

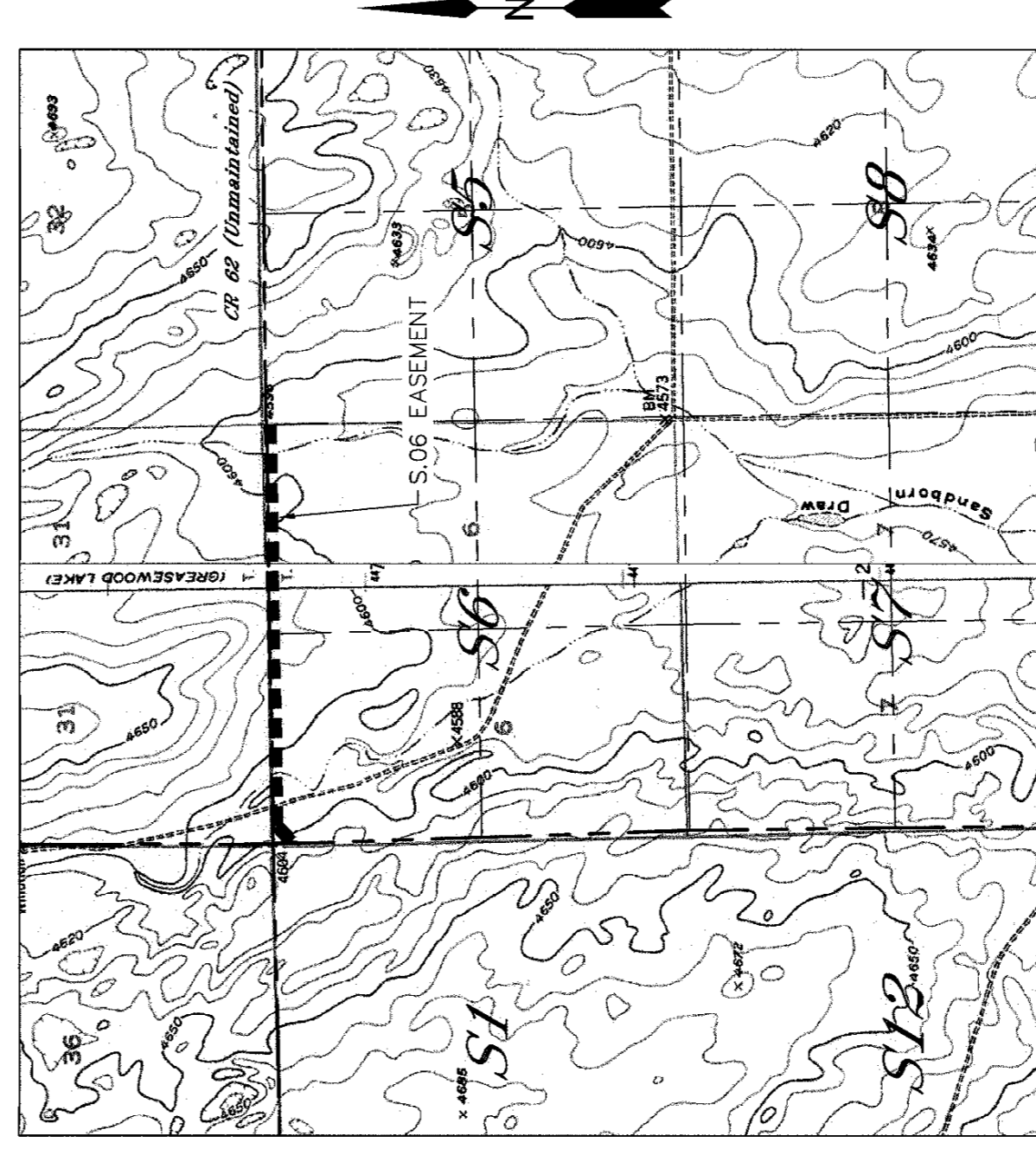
TOTAL AREA OF DESCRIBED PERMANENT EASEMENT = 3.732 Acres

SURVEYOR'S STATEMENT

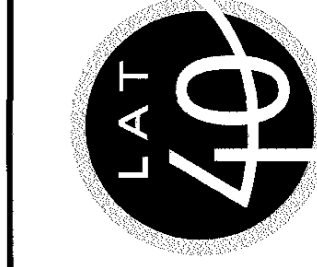
I, Kyle E. Rutz, a Colorado Licensed Professional Land Surveyor, do hereby state that this Easement Exhibit was prepared from an actual survey under my personal supervision, that the monumentation as indicated hereon was found or set as shown, and that the foregoing plat is an accurate representation thereof, all this to the best of my knowledge, information and belief.



Kyle E. Rutz, C.L.S., No. 38530
Colorado Licensed Professional Land Surveyor No. 38530



VICINITY MAP
(NOT TO SCALE)



Lat40, Inc.
Professional Land Surveyors
1635 Foxtrail Drive, Suite 325
Loveland, CO 80538
O: 970-776-3321

DATE: 2/20/2014
FILE NAME: 2013184ESMNT

REVISIONS:
EXTENDED TO WEST LINE S.6

DATE: 7/29/14

DRAWN BY: JSA

CHECKED BY: AMK

SCALE: 1"=300'

PROJECT #: 2013184

EASEMENT EXHIBIT
FOR
BONANZA CREEK ENERGY, INC.
410 17TH STREET, SUITE 1500
DENVER, CO 80202

Page
2 of 4

