

January 16, 2019

Colorado State Board of Land Commissions

1127 N. Sherman St. Suite 300

Denver, CO 80203



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

Bonanzacrk.com

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

State Pronghorn 34-16 Pad- SWSE of Section 16, T5N, R61W, 6th PM, Weld County, Colorado

STATE PRONGHORN 24-21-16HNB	STATE PRONGHORN T34-P31-16HNB
STATE PRONGHORN O24-K21-16HNB	STATE PRONGHORN T44-P41-16HNB
STATE PRONGHORN O34-K31-16HNB	

Mr. Steve Freese

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. Bonanza Creek reserves the right to change any of the well names listed above at its discretion without further notice.

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 complete and signs the attached form; scan or email the signed waiver to mfaith@bonanzacrk.com. Please do not hesitate to call me, at (303) 803-1732, should you have any questions or concerns.

Sincerely,

BONANZA CREEK ENERGY OPERATING COMPANY LLC

A handwritten signature in black ink, appearing to read 'Maxwell Faith'.

Maxwell Faith, CPL

Land Manager



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SURFACE OWNER RESPONSE LETTER

COGCC Rule 318A.a. & 318A.c. Exceptions

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Having reviewed Bonanza Creek Energy Operating Company LLC letter **Exception Location Waiver, COGCC Wattenberg Window and Twinning Rules** dated **January 16, 2019**, the undersigned Surface Owner or their Designated Representative hereby grants Bonanza 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

SURACE OWNER or DESIGNATED REPRESENTATIVE:

By Steve Freese Date 2/13/19 By _____ Date _____

Printed Name Steve Freese Printed Name _____

Title Mineral Field Tech Title _____

Phone Number 303-905-2808 Phone Number _____