

MEMORANDUM OF AMENDED AND RESTATED SURFACE USE AGREEMENT

This Memorandum of Amended and Restated Surface Use Agreement (70 Ranch Lands and Access to State Lands and TH Ranch Lands) (this "Memorandum") is made and entered into this 9th day of March, 2015, but effective as of April 30, 2013 (the "Effective Date"), by and between **70 RANCH, LLC**, a Colorado limited liability company whose address is 8301 E. Prentice Avenue, Suite 100, Greenwood Village, Colorado 80111 ("70 Ranch"), and **BONANZA CREEK ENERGY OPERATING COMPANY, LLC**, a Delaware limited liability company, and **BONANZA CREEK ENERGY, INC.**, a Delaware corporation, whose address is 410 17th Street, Suite 1500, Denver, Colorado 80202 (collectively, "Bonanza"). 70 Ranch and Bonanza are each a "Party," and collectively are the "Parties."

Background

A. 70 Ranch and Bonanza entered into an Amended and Restated Surface Use Agreement (70 Ranch Lands and Access to State Lands and TH Ranch Lands) dated to be effective as of April 30, 2013 (the "Original Agreement").

B. 70 Ranch and Bonanza entered into a First Amendment to the Amended and Restated Surface Use Agreement dated September 15, 2004, which amends certain provisions of the Original Agreement ("First Amendment"). The Original Agreement and the First Amendment are together referred to as the "Agreement."

C. The Parties desire to file this Memorandum of record in the real property records of Weld County, Colorado, to give notice of the existence of the Agreement and certain provisions contained therein;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

SECTION 1: Notice. Notice is hereby given of the existence of the Agreement and all of its terms, covenants and conditions to the same extent as if the Agreement were fully set forth herein. Certain provisions of the Agreement are summarized below. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

SECTION 2: Lands. The Memorandum covers the following leases and lands:

- a. The properties described more particularly on **Exhibit A** are the "70 Ranch Lands," the properties described on **Exhibit A-1** are the "State Lands," and the properties described on **Exhibit A-2** are the "TH Ranch Lands." The 70 Ranch Lands, the State Lands, and the TH Ranch Lands may be collectively referred to herein as the "Lands."
- b. The leases described in **Exhibit B** are collectively referred to herein as the "Leases."

- c. The lands described in **Exhibit J** are collectively referred to herein as the "Pronghorn Properties."

The Exhibits to this Memorandum are hereby incorporated in this Memorandum by reference and constitute a part of this Memorandum.

SECTION 3: Wellsite and Access Corridors. Bonanza has or may drill and complete wells, and place facilities necessary or convenient to the exploration, completion, operation, transporting, gathering and/or production of oil, gas and other hydrocarbon substances on each Wellsite area shown on the attached **Exhibit C**. In accordance with Section 3.1 of the Agreement, 70 Ranch grants to Bonanza an easement for road, water and gas pipeline and utility access to all Lands and Leases, using the access routes depicted on the annexed **Exhibit C**, and as otherwise provided in the Agreement. Section 3.2 of the Agreement provides that roads, pipelines and utilities on 70 Ranch Lands associated with future Wellsites and production facilities on 70 Ranch Lands, other than those shown on **Exhibit C**, shall be at reasonably direct locations which do not materially interfere with the intended surface uses of 70 Ranch, consent to which locations shall not be unreasonably withheld by 70 Ranch.

SECTION 4: Rights of Gas and Water Gatherers. In accordance with Section 8.2 of the Agreement, 70 Ranch grants Bonanza and its third party oil, gas or water transporters, oil, gas or water gatherers and oil, gas or water sellers, rights-of-way for flowlines, gathering lines and other oil, gas or water pipelines (i) existing or planned on the date of the Agreement, at locations shown on **Exhibit C**, and (ii) constructed in the future, but only insofar as such lines are constructed immediately adjacent to or within the right-of-way of any roads serving Bonanza wells or facilities, for gathering lines serving Bonanza wells and production facilities on 70 Ranch, State Lands, TH Ranch Lands and the Pronghorn Properties. All wells drilled on the 70 Ranch Lands, State Lands, TH Ranch Lands and the Pronghorn Properties may be connected to the gathering system of such oil, gas or water gatherer as Bonanza may designate in writing all in the ordinary course of business of the gatherer and Bonanza.

SECTION 5: Ultimate Right to Connect. The Agreement is intended to confine the placement of pipelines to the locations depicted on **Exhibit C**, or as otherwise provided for therein. However, the parties acknowledge that 70 Ranch intends to grant the right to Bonanza or its designated gas transporters, gatherers and/or 70 Ranch to make necessary connections to any well on the 70 Ranch Lands, TH Ranch Lands, the State Lands or the Pronghorn Properties, and to the extent anything prevents such necessary connections along the routes shown on **Exhibit C**, the Parties agree to negotiate reasonably and in good faith for alternative pipeline routes and connections across 70 Ranch Lands to ensure that such connections can be made with a minimum of disturbance to the surface of the 70 Ranch Lands.

SECTION 6: Pronghorn Pipeline. In accordance with Section 8.4 of the Agreement, 70 Ranch grants Bonanza the right to construct a new water pipeline (the "Pronghorn Pipeline") that will run from a location on the State Lands in Section 26, Township 5 North, Range 63 West, along the rights of way designated on **Exhibit C** and ending at a point located on the Pronghorn Properties. The Pronghorn Pipeline may be used to transport water from the 70 Ranch Lands to the Pronghorn Properties. Use of the Pronghorn Pipeline is for the benefit of Bonanza, as operator of wells in which Bonanza owns an interest, for the sole purpose of developing,

operating, and producing oil and gas from oil and gas leases now owned or hereafter acquired by Bonanza and covering the Pronghorn Properties ("Pronghorn Leases"). Bonanza may not transport water across 70 Ranch Lands to the Pronghorn Pipeline for any purpose other than transporting water for the drilling of, completion of, operation of, or production from wells located on the Pronghorn Leases or lands pooled therewith, in which Bonanza is the operator.

SECTION 7: No Amendment to Agreement. This Memorandum is executed and recorded solely for the purpose of giving notice and shall not amend nor modify the Agreement in any way. This Memorandum is not intended to, and shall not be constructed to reduce, minimize, expand, change the scope of, or in any way alter, amend, or terminate any of the rights granted under the Agreement. In the event of a conflict between the terms of this Memorandum and the terms of the Agreement the terms of the Agreement will control. Bonanza may record additional notices to more accurately describe the location of the pipeline or depict the location of additional pipelines.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, this Memorandum has been executed by the parties hereto as of the date and year first above written.

APPROVED
as to
FORM

Feb 6, 2015

70 RANCH, LLC

A Colorado limited liability company

By: 

**BONANZA CREEK ENERGY OPERATING
COMPANY, LLC**

A Delaware limited liability company

By: 

Vice President, Land

JSN
MSF

BONANZA CREEK ENERGY, INC.

A Delaware corporation

By: 

Vice president, Land

JSN
MSF

EXHIBIT A**70 Ranch Lands**Township 5 North, Range 63 West, 6th 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 31: E/2
 Section 32: SW/4
 Section 33: N/2
 Section 34: All
 Section 35: N/2, and S/2 located north of the Riverside Canal.

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 (except E/2 NE/4, which will be subject to an irrevocable license rather than an easement)
 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

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