



**BONANZA
CREEK**

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

Bonanzacrk.com

November 19, 2020

VIA USPS AND E-MAIL

(Jason Von Lembke <jason@70ranch.com>)

Ronald vonLembke, Chief of Staff
70 Ranch, LLC
8301 E. Prentice Avenue, Suite 100
Greenwood Village, CO 80111

RE: **Interim Reclamation Agreement**
Seventy Holes J-5 Pad, Location ID 462929

Township 4 North, Range 62 West, 6th P.M.
Section 5: SWSW

Weld County, Colorado

Dear Mr. vonLembke:

Bonanza Creek Energy Operating Company, LLC (“Bonanza Creek”) has previously consulted with you concerning interim reclamation at the Seventy Holes J-5 Pad (the “Seventy Holes J-5 Pad”) in accordance with that certain Amended and Restated Surface Use Agreement dated April 30, 2013 and subsequently amended (the “SUA”) between Bonanza Creek, as operator, and 70 Ranch, LLC (“70 Ranch”), as surface owner, and the applicable rules of the Colorado Oil and Gas Conservation Commission (“COGCC”). In accordance with the SUA, beginning February 2020, Bonanza Creek commenced construction of the Seventy Holes J-5 Pad with the intent and expectation that it would be drilled by March 2020. Due to circumstances, including the current economic recession, severe commodity price fluctuation, and COVID-19 pandemic, unforeseen to Bonanza Creek. It is conservatively monitoring its’ fiscal ability to fund large capital expenditure projects such as securing a drilling rig, completion operations, associated equipment for production and plan for construction to set equipment. At this time and near foreseeable future the necessary funding and economic market does not exist to complete the drilling of this Pad by March 2021.

COGCC Rule 1003.b. requires, however, that all portions of an oil and gas pad operations not completed and put into use within twelve (12) months of initial construction be reclaimed. Bonanza Creek, therefore, requires a variance from COGCC Rule 1003 and a waiver and consent from 70 Ranch in support thereof. Pursuant to COGCC Rule 1001.c. and Sections 2.2.4, 6.2, and 7 of the SUA, Bonanza Creek and 70 Ranch agree to enter into this Interim Reclamation Agreement in order to set forth the respective rights and responsibilities of the parties and to seek COGCC’s waiver of compliance with certain 1000-series rules.

The specific oil and gas location subject to this Interim Reclamation Agreement is:

Seventy Holes J-5 Pad, Location ID 462929
Section 5: SWSW Township 4 North, Range 62 West, 6th P.M.

The reasons for 70 Ranch entering into this Interim Reclamation Agreement and thereby consenting to a waiver of COGCC Rule 1003.b. interim reclamation requirements for Bonanza Creek to complete the Seventy Holes J-5 Pad without interim reclamation include:

70 Ranch does not believe that such waiver will negatively impact public health, safety and welfare or the environment. Should interim reclamation be required by the COGCC before the Seventy Holes J-5 Pad is completed, such reclamation efforts would be futile and inconsistent with the Parties’ intent of the SUA and operations upon the lands. As a result, a COGCC-mandated interim reclamation will result in additional unnecessary and unwanted operations and disturbance to 70 Ranch’s surface property, ranching, agricultural and water operations.

As the surface owner, 70 Ranch acknowledges and affirms that the current condition of the property subject to this Interim Reclamation Agreement is satisfactory to it and that Bonanza Creek need not perform interim reclamation under Rule 1003 at the Seventy Holes J-5 Pad. Provided, however, Bonanza Creek must comply with its contractual obligations under the SUA and the other Rule 1000-series requirements not hereby waived including noxious weed control, minimizing impacts to wetlands and riparian habitats, keeping the

location free of debris and litter, stormwater control, and any other obligations to protect public health, safety and welfare and the environment.

Bonanza hereby states that the Seventy Holes J-5 Pad is in compliance and that:

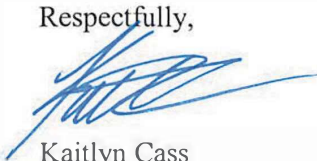
- 1. All stormwater management BMPs to minimize erosion, transport of sediment offsite, and site degradation are in place and operational at the location.
- 2. Erosion control blankets and wattles installed and functioning as intended.
- 3. Perimeter fencing installed to control access.
- 4. The location is free of all debris and waste materials and the site is being maintained in accordance with Rule 603.j.
- 5. The location is free of noxious weeds as practicable and weed control is regularly performed.

If this Interim Reclamation Agreement correctly reflects 70 Ranch’s agreement, please sign, date both originals of this letter, keep one for your files and return one to the undersigned.

Please be aware that although 70 Ranch has signed this Interim Reclamation Agreement and Bonanza Creek subsequently submits an interim reclamation variance request, the COGCC may deny such request and Bonanza Creek will then be required to complete all interim reclamation in accordance with COGCC Rule 1003.b.

Thank you for your time and consideration in this matter. If you have any questions or comments, please contact Kaitlyn Cass at (720) 225-6685.


Respectfully,



Kaitlyn Cass
Manager of Land
Bonanza Creek Energy Operating Company, LLC

I acknowledge and agree as set forth above:

70 Ranch, LLC

Signed: 
Ron VonLembke (Nov 19, 2020 11:15 MST)
Ronald vonLembke, Chief of Staff

Date: 11.19.2020


Seventy Holes J-5 70 Ranch Rule 1003 Interim Reclamation Agreement (11-5-2020) BCEOC Signed


Final Audit Report


2020-11-19


| | |
|-----------------|---|
| Created: | 2020-11-19 |
| By: | Jason VonLembke (jason@thebromleycompanies.com) |
| Status: | Signed |
| Transaction ID: | CBJCHBCAABAA6sVcz60cZvYVpNN5SXu8mGBIkD_KVQXm |


"Seventy Holes J-5 70 Ranch Rule 1003 Interim Reclamation Agreement (11-5-2020) BCEOC Signed" History

 Document created by Jason VonLembke (jason@thebromleycompanies.com)
2020-11-19 - 4:43:07 PM GMT- IP address: 205.251.148.90

 Document emailed to Ron Vonlembke (rvl@thebromleycompanies.com) for signature
2020-11-19 - 4:43:48 PM GMT

 Email viewed by Ron Vonlembke (rvl@thebromleycompanies.com)
2020-11-19 - 6:14:52 PM GMT- IP address: 66.102.7.4

 Document e-signed by Ron Vonlembke (rvl@thebromleycompanies.com)
Signature Date: 2020-11-19 - 6:15:07 PM GMT - Time Source: server- IP address: 50.246.205.188

 Agreement completed.
2020-11-19 - 6:15:07 PM GMT