



STATE OF COLORADO
STATE BOARD OF LAND COMMISSIONERS

SURFACE USE AGREEMENT
OM 110087
Non-State and Pooled or Communitized Minerals

THIS SURFACE USE AGREEMENT (“Agreement”), dated this 7th day of December, 2015, (“Effective Date”) is made by and between the State of Colorado, acting by and through the Colorado State Board of Land Commissioners, whose address is 1127 Sherman Street, Suite 300, Denver, CO 80203, herein called the “State Land Board”, and, Bonanza Creek Energy, Inc., whose address is 410 17th St., Ste 1400 Denver, CO 80202, herein called the “Operator”.

WHEREAS, the State Land Board represents that it is the surface owner and in possession of the surface estate in all or part of the following lands located in Weld County, Colorado (the “Property”):

Subdivision SESE, Section 36, Township 5N, Range 63W

WHEREAS, the State Land Board acknowledges that the Operator has certain rights to conduct oil and gas operations under the terms of oil and gas lease(s) underlying or adjacent to the Property;

WHEREAS, the State Land Board and the Operator, together also herein be called the “Parties”, desire to facilitate development of the oil and gas resources based on reasonable access and use of the Property, and to reach an understanding and agreement regarding the Operator’s surface access and use and to minimize disturbance associated with oil and gas operations.

NOW, THEREFORE, in consideration of the terms and conditions cited below, the State Land Board and the Operator agree as follows:

1. Surface Rights

The State Land Board agrees to allow the Operator reasonable use of a portion of the Property to build well pad(s), tank batteries, access road(s); construct pipelines, flowlines, gathering lines and powerlines; and to drill, complete, produce and operate vertical, directional or horizontal wells (the “Operations”). Operations on the Property shall be confined to a limited portion of the surface of the Property exclusively reserved for Operations (the “Operations Area”), together with an “Access Corridor,” as necessary, for access roads and associated lines, all identified on Exhibit A, containing 7.6677 acres. The Operator shall have the exclusive right to utilize the Operations Area provided the State Land Board may use the balance of the Property and the Access Corridor for State Land Board purposes that do not materially interfere with Operations. Furthermore, the Operator shall have the right to access and use the Property in “Emergency Situations”. Emergency

The State Land Board shall approve all COGCC required waivers that are consistent with the terms of this Agreement and the Exhibit A Operations on the Operations Area. Waivers for operations outside of or in conflict with this Agreement may be approved at the State Land Board's absolute and sole discretion.

AGREED TO AND ACCEPTED AS OF THE DATE FIRST WRITTEN ABOVE.

The State Land Board: Colorado State Board of Land Commissioners

By: *Pete Milonas*

Printed Name: Pete Milonas

Title: Minerals Director



Operator: Bonanza Creek Energy, Inc.

By: *Tyson Johnston*

Printed Name: *Tyson Johnston*

Title: *Sr. Land Manager, POA*

JH

MGF