

BONANZA CREEK ENERGY, INC.
COMPENSATION COMMITTEE CHARTER

Purpose

The primary purposes of the Compensation Committee of the Board of Directors (the “**Board**”) of Bonanza Creek Energy, Inc., a Delaware corporation (the “**Company**”), are to (1) assist the Board in studying, reviewing, monitoring and evaluating the Company’s employment, compensation, benefits, perquisite, employee equity, hiring and retention practices, policies and needs; (2) to discharge the responsibilities of the Board relating to compensation of the Company’s Chief Executive Officer and other executive officers; (3) to prepare the disclosure required by Item 407(e)(5) of Regulation S-K and the annual performance evaluation of the Compensation Committee; and (4) provide such additional information and materials as it may deem necessary or advisable to make the Board aware of significant employment matters that require the Board’s attention.

Organization

The Compensation Committee will consist of three or more members of the Board who satisfy the independence requirements of the New York Stock Exchange, as such requirements are interpreted by the Board in its business judgment. Upon recommendation from the Company’s Nominating and Governance Committee, the Board, shall appoint the members of the Compensation Committee annually or from time to time upon the occurrence of a vacancy on the Compensation Committee and may remove such members at any time with or without cause. Unless a Chairman is appointed by the Board, the members of the Compensation Committee shall appoint one of their number as the Chairman. Additionally, members of the Compensation Committee shall qualify as “non-employee directors” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934, and as “outside directors” for purposes of Section 162(m) of the Internal Revenue Code. Members of the Compensation Committee should be suitably knowledgeable in matters pertaining to executive compensation.

The Compensation Committee may form and delegate authority to subcommittees comprised of members of the Compensation Committee as the Compensation Committee may deem appropriate in its sole discretion.

Compensation of Members

Compensation for service on the Compensation Committee shall be limited to reimbursement of costs and expenses to attend meetings and compensation permitted under the Securities Exchange Act of 1934 and the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Meetings

The Compensation Committee shall fix its own rules of procedure and shall meet where and as provided by such rules or by resolution of the Compensation Committee, with such meetings being held not less than twice a year. The Chairman shall be responsible for leadership of the Compensation Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting for the Compensation Committee to the Board. The Compensation Committee may request any officer or employee of the Company, the Company’s internal and outside legal counsel, independent auditor or consultant to attend a meeting of the

Compensation Committee or to meet with any members of, or consultants to, the Compensation Committee. The Compensation Committee shall have direct access to management, internal staff, the independent auditor, the corporate compliance staff and the Company's internal and outside legal counsel, both at meetings and otherwise.

Minutes and Reports

Minutes of each meeting of the Compensation Committee shall be kept and distributed to each member of the Compensation Committee and the Secretary of the Company. The Chairman of the Compensation Committee shall report its activities, findings and recommendations regularly to the Board, or at any time whenever so requested by the Board.

Outside Advisors

The Compensation Committee shall have the authority to retain such outside consultants, advisors or legal counsel as it determines appropriate to assist it in the performance of its functions, or to advise or inform the Compensation Committee, including sole authority to approve the compensation consultant's fees and other retention terms. The Compensation Committee may approve the fees and expenses of such advisors employed by the Compensation Committee, and the Company shall provide the Compensation Committee with appropriate funding to pay such fees and expenses.

Responsibilities and Duties

In furtherance of its responsibilities, the following shall be the responsibilities and duties of the Compensation Committee. These responsibilities and duties are set forth as guidelines with the understanding that the Compensation Committee may diverge from such guidelines as appropriate under the circumstances in order to fulfill the purposes of the Compensation Committee.

1. Annually review and approve goals and objectives relevant to the Company's Chief Executive Officer's compensation and, based on the Compensation Committee's own evaluation of the Company's Chief Executive Officer's performance in light of those goals and objectives as well as input from the Nominating and Corporate Governance Committee, to recommend to the independent directors of the Board for their approval the total compensation of the Company's Chief Executive Officer.

2. Annually propose to the Board for its approval the compensation of all other executive officers, including salary compensation and Compensation Plans (as defined below) approved by the Board.

3. Conduct at least annually a review of the compensation of the directors of the Company and make recommendations to the Board as to the form and amount of such compensation. The Compensation Committee will consider that directors' independence may be jeopardized if director compensation and emoluments exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

4. Propose to the Board for its approval changes to the Board's compensation guidelines applicable to various compensation arrangements of the Company, including salary ranges, bonuses and equity incentives to be granted to employees of the Company.

5. Approve the compensation arrangements of employees of the Company and the terms of hiring, promotion, demotion, termination or other change in employment status of any employee or employees of the Company, which terms shall be consistent with the applicable compensation guidelines approved by the Board.

6. Propose to the Board for its approval the compensation and terms of the hiring, promotion, demotion, termination or other change in employment status of any employee or employees of the Company upon terms or conditions outside the applicable compensation guidelines approved by the Board.

7. Propose to the Board for its approval other appropriate actions to be taken by the Board with respect to the Company's employment and compensation policies, including, but not limited to, the development of new or revised compensation policies that will attract and retain the highest quality executives, that will clearly articulate the relationship of corporate performance to executive compensation and that will reward executives for the Company's progress.

8. Propose to the Board for its approval the adoption, amendment or termination of equity incentive plans, stock appreciation rights plans, pension and profit sharing plans, stock bonus plans, stock purchase plans, bonus plans, deferred compensation plans or other similar programs ("**Compensation Plans**").

9. Propose to the Board for its approval grants of equity incentives, rights, participation or other interests in Compensation Plans to eligible participants.

10. Review and, in its discretion, approve such other compensation matters as the Board or the President and Chief Executive Officer of the Company may submit to the Compensation Committee for review or approval.

11. Produce a report of the Compensation Committee on executive officer compensation as required by the Securities and Exchange Commission to be included in the Company's annual proxy statement or annual report on Form 10-K filed with the Securities and Exchange Commission.

12. Prepare the disclosures required by Item 407(e)(5) of Regulation S-K.

13. Review and discuss the Compensation Discussion and Analysis with management and, based on such review and discussion, recommend to the Board that the Compensation Discussion and Analysis be included in the Company's annual proxy statement or annual report on Form 10-K filed with the SEC. Provide oversight for other compensation disclosures included in the Company's SEC reports.

14. Regularly review and recommend changes to this Charter as appropriate.

15. Perform an annual evaluation of the Compensation Committee's performance, report the results of this evaluation to the Board together with recommendations and make appropriate changes.

16. As directed by the Board, establish guidelines regarding the administration of the Compensation Plans with respect to equity incentives granted thereunder to the Company's employees and consultants.

17. Report regularly to the full Board and review any issues that arise with respect to the hiring, employment and compensation practices of the Company or the Company's compliance with legal or regulatory requirements.

18. Perform such other functions as may be required by applicable laws, rules and regulations and the Company's Certificate of Incorporation or Bylaws, or by the Board.

It is acknowledged that all of the above listed tasks and focus areas may not be relevant to all of the matters and tasks that the Compensation Committee may consider and act upon from time to time, and the members of the Compensation Committee in their judgment may determine the relevance thereof and the attention such items shall receive in any particular context.

Adopted by the Board on July 25, 2011