

**AMENDED & RESTATED  
BONANZA CREEK ENERGY, INC. AUDIT COMMITTEE CHARTER**

**Purpose**

The primary purpose of the Audit Committee of the Board of Directors (the “**Board**”) of Bonanza Creek Energy, Inc., a Delaware corporation (the “**Company**”) is to assist the Board in monitoring: (1) the integrity of the financial statements of the Company, (2) the Company’s independent auditors’ qualifications and independence, (3) the performance of the Company’s internal audit and compliance function and independent auditors, and (4) the compliance by the Company with legal and regulatory requirements. The Audit Committee also prepares certain disclosure required by the rules of the Securities and Exchange Commission to be included in the Company’s annual proxy statement.

**Organization**

The Audit Committee shall be composed of three or more members of the Board. All Audit Committee members shall satisfy the independence requirements for directors and audit committee members under the rules of the New York Stock Exchange and Rule 10A-3 of the Securities Exchange Act of 1934, as such requirements are interpreted by the Board in its business judgment. Each member of the Audit Committee shall be financially literate, as such qualification is interpreted by the Board in its business judgment, or must become financially literate as so interpreted within a reasonable period of time after such member’s appointment to the Audit Committee. In addition, at least one member of the Audit Committee must have accounting or related financial management expertise, as the Board interprets such qualification in its business judgment. Upon recommendation from the Company’s Nominating and Governance Committee, the Board shall appoint the members of the Audit Committee annually or from time to time upon the occurrence of a vacancy on the Audit 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 Audit Committee shall appoint one of their number as the Chairman. Any responsibilities of the Audit Committee may be delegated by the Audit Committee to the Chairman or any other member of the Audit Committee; provided that any delegate shall report any actions taken by such delegate to the whole Audit Committee at the Audit Committee’s next regularly scheduled meeting.

**Compensation of Members**

Compensation for service on the Audit 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 Audit Committee shall fix its own rules of procedure and shall meet where and as provided by such rules or by resolution of the Audit Committee, with such meetings being held not less than quarterly. The Chairman shall be responsible for leadership of the Audit Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting for the Audit Committee to the Board. The Audit 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 Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Audit Committee shall have direct access to management, internal staff, the independent auditor, the corporate audit and 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 Audit Committee shall be kept and distributed to each member of the Audit Committee, the Chief Audit and Compliance Officer, and the Secretary of the Company. The Chairman of the Audit 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 Audit Committee shall have the authority to retain such outside legal, accounting or other advisors as it determines appropriate to assist it in the performance of its functions, or to advise or inform the Audit Committee. The Audit Committee may approve the fees and expenses of such advisors employed by the Audit Committee, and the Company shall provide the Audit 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 Audit Committee. These responsibilities and duties are set forth as guidelines with the understanding that the Audit Committee may diverge from such guidelines as appropriate under the circumstances in order to fulfill the purposes of the Audit Committee.

1. Review this Audit Committee Charter at least annually and, to the extent the Audit Committee determines that changes to this Audit Committee Charter are necessary or advisable (after receipt of advice from outside legal counsel engaged pursuant to paragraph 5 of this Charter below, if desired), recommend such changes for the consideration and approval of the Board.

2. Prepare and review with the Board an annual performance evaluation of the Audit Committee, which evaluation shall assess the Audit Committee's performance of its obligations under this Audit Committee Charter.

3. Be directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor engaged by the Company for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, which independent auditor shall report directly to the Audit Committee.

4. Approve in advance the provision by the independent auditor of all audit and non-audit services to be performed by the independent auditor for the Company, including the terms of and fees associated with any such engagement.

5. Take appropriate action to oversee the independence of the independent auditor, including:

- a. reviewing the experience and qualifications of the senior members of the independent auditor team; evaluating the qualifications, performance and independence of the independent auditor, including the review and evaluation of the lead partner of the independent auditor, and whether the independent auditor's quality controls are adequate and the provision of non-audit services is in compliance with applicable law and compatible with maintaining the independent auditor's independence, taking into account the opinions of management and the personnel responsible for the

Company's internal audit and compliance function; and presenting its conclusions to the full Board and, if so determined by the Audit Committee, recommending that the Board take additional action to satisfy itself of the qualifications, performance and independence of the independent auditor;

- b. periodically reviewing management consulting services and other non-audit services not prohibited by applicable law, and the respective related fees, provided by and to the independent auditor, which shall have been pre-approved by the Audit Committee, and any transactional or other relationships between the Company and the independent auditor; and considering whether, under criteria the Audit Committee determines to be appropriate, the independent auditor's provision of non-audit services to the Company is compatible with maintaining the independence of the independent auditor;
  - c. annually obtaining and reviewing a formal written report from the independent auditor describing (i) the independent auditor's internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, relating to any audit conducted by the independent auditor, and any steps taken to deal with such issues and (iii) all relationships between the independent auditor and the Company to assess the independent auditor's independence;
  - d. actively engaging in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor;
  - e. taking appropriate action or recommending to the Board such appropriate action, as necessary, on any disclosed relationships to satisfy itself of the independent auditor's independence;
  - f. complying with all relevant laws and regulations relative to the independence of the independent auditor, including (i) rotation of the independent auditor or outside audit personnel and the lead audit partner as required by law and (ii) the performance of services by an outside audit firm when a former employee of that firm currently serves as Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, controller or in an equivalent position of the Company; and
  - g. establishing clear hiring policies relating to the retention by the Company of employees or former employees of the independent auditor.
6. Meet separately, periodically, with management, personnel responsible for the Company's internal audit and compliance function and the independent auditors.
7. Review and discuss, as appropriate, with management and the independent auditor (and where appropriate the personnel responsible for the internal audit and compliance function):
- a. prior to their release, the Company's annual audited financial statements and quarterly financial statements, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations";

- b. prior to their release, the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies;
- c. the Company's policies with respect to risk assessment and risk management;
- d. analyses prepared by management and/or the independent auditor setting forth the significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;
- e. the effect of regulatory and accounting initiatives on the financial statements of the Company;
- f. any significant changes required in the independent auditor's audit plan;
- g. any material correcting adjustments that have been identified by the independent auditor in accordance with GAAP and applicable laws, rules and regulations;
- h. any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources or significant components of revenues or expenses;
- i. their assessments of the adequacy of the Company's internal control structure and procedures of the Company for financial reporting and the resolution of any identified material weaknesses in such internal control structure and procedures; and other matters related to the conduct of the audit which are to be communicated to the Audit Committee under generally accepted auditing standards;
- j. Any prior year reclassifications of previously reported amounts necessary to conform to present year presentations and the reasons therefore; and
- k. How management develops interim financial information and the nature and extent of internal and external auditor involvement.

8. Review with the independent auditor any audit problems or difficulties the auditor encountered in the course of the audit work and management's response thereto, including (a) any restrictions on the scope of the independent auditor's activities or on access to requested information and (b) any significant disagreements with management.

9. The Audit Committee shall have authority to resolve any disagreements between management and the independent auditor regarding financial reporting.

10. Review with the independent auditor their plans for, and the scope of, their annual audit for the current year and other examinations of the Company's financial information and the audit procedures to be utilized.

11. Discuss with the independent auditor the responsibilities, budget and staffing of the Company's internal audit and compliance function.

12. Consider the independent auditor's reports and judgments brought to the attention of the Audit Committee about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting, significant accounting policies, audit conclusions regarding the reasonableness of significant accounting estimates and any audit adjustments. Also, the Audit Committee shall review and consider information received from the independent auditor regarding all critical accounting policies and practices to be used by the Company, all alternative treatments of financial information within GAAP that have been discussed with management of the Company, ramifications of the use of such alternative disclosures and treatments, the treatment preferred by the independent auditor, and other material written communications between the independent auditor and management, including any management letter or schedule of unadjusted differences.

13. Inquire of management, other internal staff, the audit and compliance function and/or the independent auditor about significant risks or exposures, the Company's processes for identifying and assessing such risks and exposures and the steps management has taken to minimize such risks and exposures to the Company. Also, review and assess the Company's guidelines and policies that govern the processes for identifying and assessing significant risks or exposures and for formulating and implementing steps to minimize such risks and exposures to the Company.

14. Establish an internal audit and compliance function of the Company to provide management and the Audit Committee with ongoing assessments of the Company's risk management processes and system of internal control. The Audit Committee shall review the personnel responsible for the internal audit and compliance function of the Company, including the independence and authority of its reporting obligations, the proposed audit plans for the coming year, and the coordination of such plans with the independent auditor. The Audit Committee shall receive as necessary notification of material adverse findings from internal audits, special investigations, Sarbanes-Oxley control reviews and assessments and a progress report on the proposed internal audit plan, as appropriate, with explanations for changes from the original plan.

15. Review compliance with the Company's Code of Business Conduct and Ethics and other applicable legal requirements. The Audit Committee shall review with the Company's counsel legal and regulatory matters brought to the attention of the Audit Committee that may have a material impact on the financial statements or compliance policies. The Audit Committee shall respond appropriately to any matters reported to the Audit Committee by counsel, including adopting, as necessary, appropriate remedial measures or sanctions, or recommending such action to the Board.

16. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, as well as for the confidential, anonymous submissions by the Company's employees of concerns regarding questionable accounting or auditing matters.

17. Report regularly to the full Board and review any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the independent auditor, or the performance of the internal audit and compliance function.

18. Conduct or authorize investigations into any matters within the Audit Committee's scope of responsibilities.

19. Approve the retention and compensation of any financial or information technology consultant proposed to be engaged by the Company whose compensation would be equal to or in excess of \$50,000 per year.

20. In accordance with the policies and procedures established by the Company's Nominating and Governance Committee, review and approve "related party transactions" (as defined by the rules and regulations of the Securities and Exchange Commission) and ensure proper disclosure in accordance with Item 404 of Regulation S-K.

21. 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.

22. Ensure there are no unjustified restrictions or limitations placed on the internal auditors in the performance of their duties.

23. Report annually to the shareholders, describing the Committee's composition, responsibilities and how they are discharged, and any other information required by rules, including approval of non-audit services.

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 Audit Committee may consider and act upon from time to time, and the members of the Audit Committee in their judgment may determine the relevance thereof and the attention such items shall receive in any particular context.