

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION OF	)	CAUSE NO. 1
CRESTONE PEAK RESOURCES OPERATING	)	
LLC FOR AN ORDER TO: (1) ESTABLISH AND	)	DOCKET NO. 170500189
APPROVE A RULE 216 COMPREHENSIVE	)	
DRILLING PLAN FOR SECTIONS 1, 2, 3, 10, 11	)	TYPE: GENERAL
AND 12, TOWNSHIP 1 NORTH, RANGE 69	)	ADMINISTRATIVE
WEST, 6 <sup>th</sup> P.M. AND SECTIONS 25, 26, 27, 34, 35	)	
AND 36, TOWNSHIP 2 NORTH, RANGE 69	)	
WEST, 6 <sup>TH</sup> P.M. FOR THE COMPREHENSIVE	)	
DEVELOPMENT AND OPERATION OF THE	)	
CODELL AND NIOBRARA FORMATIONS,	)	
WATTENBERG FIELD, BOULDER COUNTY,	)	
COLORADO, AND (2) TO APPROVE A RULE	)	
502.b. VARIANCE TO COMMISSION RULE 303.	)	

IN THE MATTER OF THE APPLICATION OF )  
CRESTONE PEAK RESOURCES OPERATING )  
LLC FOR AN ORDER TO: (1) ESTABLISH AN ) CAUSE NO. 407  
APPROXIMATE 2,560-ACRE DRILLING AND )  
SPACING UNIT FOR SECTIONS 1 AND 12, ) DOCKET NO. 170500190  
TOWNSHIP 1 NORTH, RANGE 69 WEST AND )  
SECTIONS 25 AND 36, TOWNSHIP 2 NORTH, ) TYPE: SPACING  
RANGE 69 WEST, 6<sup>TH</sup> P.M. IN ACCORDANCE )  
WITH A CORRESPONDING COMMISSION )  
RULE 216 COMPREHENSIVE DRILLING PLAN, )  
(2) ALLOW UP TO 72 HORIZONTAL WELLS IN )  
THE 2,560 ACRE DRILLING AND SPACING )  
UNIT IN ACCORDANCE WITH A )  
CORRESPONDING COMMISSION RULE 216 )  
COMPREHENSIVE DRILLING PLAN, (3) TO )  
APPROVE UP TO SIX OIL AND GAS )  
LOCATIONS/WELLPADS (LOCATIONS TO BE )  
DETERMINED) IN ACCORDANCE WITH A )  
CORRESPONDING COMMISSION RULE 216 )  
COMPREHENSIVE DRILLING PLAN FOR THE )  
DEVELOPMENT AND OPERATION OF THE )  
CODELL AND NIOBRARA FORMATIONS, )  
WATTENBERG FIELD, BOULDER COUNTY, )  
COLORADO, AND (4) TO APPROVE A RULE )  
502.b. VARIANCE TO COMMISSION RULE 303. )

IN THE MATTER OF THE APPLICATION OF CRESTONE PEAK RESOURCES OPERATING LLC FOR AN ORDER TO: (1) ESTABLISH AN APPROXIMATE 2,560-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 2 AND 11, TOWNSHIP 1 NORTH, RANGE 69 WEST AND SECTIONS 26 AND 35, TOWNSHIP 2 NORTH, RANGE 69 WEST, 6<sup>TH</sup> P.M. IN ACCORDANCE WITH A CORRESPONDING COMMISSION RULE 216 COMPREHENSIVE DRILLING PLAN, (2) ALLOW UP TO 72 HORIZONTAL WELLS IN THE 2,560 ACRE DRILLING AND SPACING UNIT IN ACCORDANCE WITH A CORRESPONDING COMMISSION RULE 216 COMPREHENSIVE DRILLING PLAN, (3) TO APPROVE UP TO SIX OIL AND GAS LOCATIONS/WELLPADS (LOCATIONS TO BE DETERMINED) IN ACCORDANCE WITH A CORRESPONDING COMMISSION RULE 216 COMPREHENSIVE DRILLING PLAN FOR THE DEVELOPMENT AND OPERATION OF THE CODELL AND NIOBRARA FORMATIONS, WATTENBERG FIELD, BOULDER COUNTY, COLORADO, AND (4) TO APPROVE A RULE 502.b. VARIANCE TO COMMISSION RULE 303.

CAUSE NO. 407  
DOCKET NO. 170500191  
TYPE: SPACING

IN THE MATTER OF THE APPLICATION OF CRESTONE PEAK RESOURCES OPERATING LLC FOR AN ORDER TO: (1) ESTABLISH AN APPROXIMATE 2,560-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 3 AND 10, TOWNSHIP 1 NORTH, RANGE 69 WEST AND SECTIONS 27 AND 34, TOWNSHIP 2 NORTH, RANGE 69 WEST, 6<sup>TH</sup> P.M. IN ACCORDANCE WITH A CORRESPONDING COMMISSION RULE 216 COMPREHENSIVE DRILLING PLAN, (2) ALLOW UP TO 72 HORIZONTAL WELLS IN THE 2,560 ACRE DRILLING AND SPACING UNIT IN ACCORDANCE WITH A CORRESPONDING COMMISSION RULE 216 COMPREHENSIVE DRILLING PLAN, (3) TO APPROVE UP TO SIX OIL AND GAS LOCATIONS/WELLPADS (LOCATIONS TO BE DETERMINED) IN ACCORDANCE WITH A CORRESPONDING COMMISSION RULE 216 COMPREHENSIVE DRILLING PLAN FOR THE

CAUSE NO. 407  
DOCKET NO. 170500192  
TYPE: SPACING

DEVELOPMENT AND OPERATION OF THE  
CODELL AND NIOBRARA FORMATIONS,  
WATTENBERG FIELD, BOULDER COUNTY,  
COLORADO, AND (4) TO APPROVE A RULE  
502.b. VARIANCE TO COMMISSION RULE 303.

### **FINAL STIPULATED FACTS**

This matter is set for hearing before the Commission on May 1-2, 2017 ("Hearing"). The parties are Crestone Peak Resources Operating LLC ("Crestone Peak" or "Applicant"), Kerr-McGee Oil & Gas Onshore LP ("Kerr-McGee"), 8 North, LLC, a wholly owned subsidiary of Extraction Oil & Gas, Inc. ("8 North/Extraction") and Kenosha Road Property Owners ("Kenosha RPO") (together, the "Parties" and individually, a "Party"). The following Stipulated Facts are agreed to by the Parties to these dockets and are accepted by the Hearing Officer. The Parties reserve the right to present at Hearing additional facts that remain in dispute and/or that are not included in the Stipulated Facts herein.

The Final Stipulated Facts are as follows:

1. Crestone Peak is a limited liability company duly authorized to do business in the State of Colorado, and is a registered operator in good standing with the Colorado Oil and Gas Conservation Commission ("Commission").
2. Kerr-McGee Oil & Gas Onshore LP ("Kerr-McGee") is a limited partnership duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.
3. 8 North, LLC, as wholly owned subsidiary of Extraction Oil & Gas, Inc. ("8 North/Extraction"), is a limited liability company duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.
4. Kenosha Road Property Owners ("Kenosha RPO") is a group of individual property owners who own surface property with in the Application Lands, defined below, but is not an organized association under the laws of the State of Colorado.
5. On February 22, 2017, Crestone Peak filed an application pursuant to Rule 216 and Rule 502.b. in Docket No. 170500189 affecting the following lands (hereafter "Application Lands" or "CDP Area"):

Township 1 North, Range 69 West, 6th P.M.

Section 1: All  
Section 2: All  
Section 3: All  
Section 10: All  
Section 11: All  
Section 12: All

Township 2 North, Range 69 West, 6th P.M.

Section 25: All  
Section 26: All  
Section 27: All  
Section 34: All  
Section 35: All  
Section 36: All

7,680 acres, more or less, Boulder County, Colorado.

6. On February 22, 2017, Crestone Peak filed three corresponding drilling and spacing unit applications ("DSU Applications") in Docket Nos. 170500190, 170500191 and 170500192 to be heard by the Commission concurrent with or after the determination of Crestone Peak's CDP Application.

7. On April 10, 2017, Crestone Peak submitted its Rule 511 testimony in support of the concept-level CDP and the Rule 502.b. variance to the Commission.

8. On April 14, 2017, Mr. Timothy J. Larsen and Candace Larsen filed a letter objecting to Crestone Peak's CDP Application. Larsen converted this objection to a 510 statement on April 18, 2017.

9. On April 17, 2017, Kenosha Farms Property Owners filed a Motion to Intervene in the CDP process and is supporting Crestone Peak's variance request. The Hearing Officer granted Kenosha Farms Property Owners Motion to Intervene on April 19, 2017.

10. On April 17, 2017, Kerr-McGee filed a Protest to Crestone Peak's CDP Application and DSU Applications as they relate to the Rule 502.b. variance request.

11. On April 17, 2017, 8 North/Extraction filed a Protest to Crestone Peak's CDP Application as it relates to the Rule 502.b. variance request.

12. On April 18, 2017, 8 North/Extraction filed Protests to Crestone Peak's DSU Applications as they relate to the Rule 502.b. variance request.

13. On April 18, 2017, Crestone Peak filed a Prehearing Statement and electronic exhibits in this matter.

14. On or before April 19, 2017, Kerr-McGee filed a Prehearing Statement and electronic exhibits in this matter.

15. On April 19, 2017, 8 North/Extraction filed a Prehearing Statement and electronic exhibits in this matter.

16. On April 19, 2017, Kenosha Farms Property Owners filed a Prehearing Statement and electronic exhibits in this matter.

17. On April 19, 2017, the Parties finalized and submitted a Joint Prehearing Order in this matter.

18. On April 19, 2017, the Parties participated in a Prehearing Conference in this matter.

19. In the April 19, 2017 Prehearing Conference on this matter, 8 North/Extraction made an oral Motion to Continue the Applications to the June 2017 hearing, and a Motion for Legal Briefing. Kerr-McGee joined in these Motions. The Hearing Officer denied the Motion to Continue and granted the Motion for Legal Briefing.

20. On or before April 24, 2017, the Parties filed legal briefing in this matter.

21. On or before April 24, 2017, the Parties filed Final Stipulated Facts in this matter and final admitted Exhibits.

22. As of the date of this filing, the matter has not been resolved.

Dated: April 24, 2017



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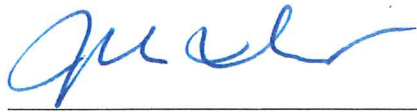
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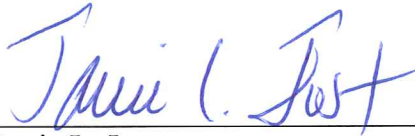
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CERTIFICATE OF SERVICE

On April 24, 2017 a true and correct copy of the foregoing Final Stipulated Facts in Colorado Oil and Gas Conservation Commission Docket Nos. 170500189, 170500190, 170500191 and 170500192 was served via electronic mail and by courier to the Colorado Oil and Gas Conservaton Commission at the address lisetd below:

Colorado Oil and Gas Conservation Commission  
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