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

IN THE MATTER OF THE APPLICATION OF
CRESTONE PEAK RESOURCES OPERATING
LLC FOR AN ORDER TO: (1) ESTABLISH AND
APPROVE A RULE 216 COMPREHENSIVE
DRILLING PLAN FOR SECTIONS 1, 2, 3, 10, 11
AND 12, TOWNSHIP 1 NORTH, RANGE 69
WEST, 6TH P.M. AND SECTIONS 25, 26, 27, 34, 35
AND 36, TOWNSHIP 2 NORTH, RANGE 69
WEST, 6TH P.M. FOR THE COMPREHENSIVE
DEVELOPMENT AND OPERATION OF THE
CODELL AND NIOBURARA FORMATIONS,
WATTENBERG FIELD, BOULDER COUNTY,
COLORADO, AND (2) TO APPROVE A RULE
502.b. VARIANCE TO COMMISSION RULE 303.

CAUSE NO. 1
DOCKET NO. 170500189
TYPE: GENERAL
ADMINISTRATIVE

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 1 AND 12,
TOWNSHIP 1 NORTH, RANGE 69 WEST AND
SECTIONS 25 AND 36, TOWNSHIP 2 NORTH,
RANGE 69 WEST, 6TH 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 NIOBURARA FORMATIONS,
WATTENBERG FIELD, BOULDER COUNTY,
COLORADO, AND (4) TO APPROVE A RULE
502.b. VARIANCE TO COMMISSION RULE 303.

CAUSE NO. 407
DOCKET NO. 170500190
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 2 AND 11, TOWNSHIP 1 NORTH, RANGE 69 WEST AND SECTIONS 26 AND 35, TOWNSHIP 2 NORTH, RANGE 69 WEST, 6TH 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 NIOPRARA FORMATIONS, WATENBERG 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 3 AND 10, TOWNSHIP 1 NORTH, RANGE 69 WEST AND SECTIONS 27 AND 34, TOWNSHIP 2 NORTH, RANGE 69 WEST, 6TH 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 NIOMARA 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”):

<table>
<thead>
<tr>
<th>Township 1 North, Range 69 West, 6th P.M.</th>
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<tbody>
<tr>
<td>Section 1:  All</td>
</tr>
<tr>
<td>Section 2:  All</td>
</tr>
<tr>
<td>Section 3:  All</td>
</tr>
<tr>
<td>Section 10: All</td>
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<tr>
<td>Section 11: All</td>
</tr>
<tr>
<td>Section 12: All</td>
</tr>
</tbody>
</table>
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.


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.


15. On April 19, 2017, 8 North/Extraction 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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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 Conservation Commission at the address listed below:

Colorado Oil and Gas Conservation Commission
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