

**Objective Criteria Review Memo ADDENDUM - Crestone Peak Resources Operating LLC
Eastern Hills 4-65 17-18 1EH -- Form 2 Application for Permit to Drill (APD) Doc# 402392357**

**Approved Form 2A Oil & Gas Location Assessment (EASTERN HILLS 4-65 17-18 3AH Doc# 402226219,
approved 4/3/2020)
Location ID# 474845**

The Form 2A for this Oil & Gas Location was reviewed for all eight wells proposed for this Location. COGCC's technical review of the 2A and all eight APDs included review within the context of SB 19-181 and the required Objective Criteria. Objective Criteria Review Memo, Doc# 1010902, is in the Location's file in COGCC's database. This Addendum provides additional information regarding the delayed approvals of the eight APDs permitted at this Location.

Delayed Approval of APDS:

The Form 2A was approved on 4/3/2020. The APDs did not pass Completeness until 7/9/2020.

The Objective Criteria Review Memo for this location (Doc# 1010902) identified that this location met Criteria #2 for being located within the City of Aurora & Criteria #5c for being in an area with estimated shallow groundwater and proximity to surface water features. The Objective Criteria Review Memo identified BMPs on the Form 2A that should successfully mitigate against the impacts identified by meeting Criteria #2 & #5c, including:

Criteria 2

Burlington Resources, the original Operator of this location, was granted an Oil and Gas permit for this location by the City of Aurora. The City of Aurora LGD commented on the APDs to state: "The location was approved via an Operator Agreement between the City of Aurora and ConocoPhillips Company. The City has approved the transfer of the well and Operator Agreement to Crestone Peak Resources."

Arapahoe County placed a public comment on the APDs regarding road impact fees. Crestone responded to COGCC stating:

"Yes, there is a process in place to pay traffic impact fees to Arapahoe County prior to drilling the wells and we will do that at the appropriate time.

At the time we pay the TIFs, we will also arrange for a road inspection with Wayne Habenicht (Arapahoe County Engineering Inspector). We have a long standing relationship with Arapahoe County and this is the process we have always followed. No Street Cut permit is required in this instance as there is already an existing access road that was built when the Eastern Hills North pad was built. I am reminding Wayne of that by copy of this email. The truck haulers are responsible for securing their OSOW permits."

Criteria 5c

Crestone, as the successor to the location from Burlington Resources, is bound to the existing BMPs on the approved Form 2A for this location. The BMPs that mitigate being located in an area of estimated shallow groundwater and proximate to surface water features include: remote monitoring/shut-in capabilities, liner containment under drilling rig, lined containment for the tanks on location, and a closed loop drilling system.

Based on this analysis, the Operator is complying with the existing BMP's and COA's on the approved Form 2A to address the Objective Criteria that were met during the original review of the Form 2A and no further Sundry or Memo is necessary at this time. The APD's IN PROCESS should be passed and sent to Final Approval with the following comment:

COGCC conducted the technical review for the related Oil and Gas Location Assessment permit, Form 2A document #402226219 under the statutory authority provided through SB 19-181, including the Objective Criteria. The Director approved the Form 2A on 4/3/2020, establishing Location ID #474845 subject to conditions included in the permit. The well proposed by this related Form 2 was contemplated during COGCC's review of the Form 2A. The Objective Criteria Review Memo (Doc# 1010902) can be found in the document file for this Location.