



## PLANNING AND ZONING COMMISSION

---

### REGULAR MEETING AGENDA

August 15, 2019

7:00 PM

151 Grant Avenue  
Firestone, CO 80520

- 1. Call to Order & Roll Call**
- 2. Pledge of Allegiance**
- 3. Approval of Agenda**
- 4. Approval of Minutes**
  - a. Special Meeting 7-11-19
- 5. Action/Discussion**
  - 5.a.** Election of Chairperson
- 6. Public Comment \*** (maximum time permitted for all Public Comment is 30 minutes)
- 7. Public Hearings**
  - a. RESOLUTION PC-19-10; A RESOLUTION RECOMMENDING APPROVAL OF SPECIAL USE PERMITS FOR CRESTONE PEAK RESOURCES TO LOCATE SIX OIL AND GAS WELLS WITHIN THE TOWN OF FIRESTONE.
  - b. RESOLUTION PC-19-11; A RESOLUTION RECOMMENDING APPROVAL OF SPECIAL USE PERMITS FOR CRESTONE PEAK RESOURCES TO LOCATE TWELVE OIL AND GAS WELLS WITHIN THE TOWN OF FIRESTONE.
- 8. Staff Reports**
- 9. Commissioner Comments**
- 10. Adjournment**

\* Individuals that desire to address the Planning and Zoning Commission are requested to sign up at the table at the entrance to the meeting room. Each individual will be provided an opportunity to speak (limited to two minutes) during Public Comment. Maximum time permitted for all Public Comment is 30 minutes for each Public Comment noted on Agenda.

If you need special assistance in order to participate in a Planning and Zoning Commission meeting, please contact the Town Clerk's Office at 303-833-3291 in advance of the meeting to make arrangements. A forty-eight-hour notice is requested.

\* Individuals that desire to address the Board of Trustees are requested to sign up at the table at the entrance to the meeting room. Each individual will be provided an opportunity to speak (limited to two minutes) during Public Comment. Maximum time permitted for all Public Comment is 30 minutes.

If you need special assistance in order to participate in a Board of Trustees meeting, please contact the Town Clerk's Office at 303-833-3291 in advance of the meeting to make arrangements. A forty-eight-hour notice is requested.

**TOWN OF FIRESTONE, COLORADO  
PLANNING AND ZONING COMMISSION  
Special Meeting  
July 11, 2019**

**1. CALL TO ORDER**

The Planning and Zoning Commission of the Town of Firestone met in special session on July 11, 2019, at the Town Hall, 151 Grant Avenue, Firestone, Colorado. Commissioner Deitman called the meeting to order at 7:00 p.m.

The following were present upon the call of the roll:

Chairperson:

Vice-Chairperson:

Commissioners:

Tim Spiegelberg - absent

Kelly Deitman

John Damsma

Troy McAllister - absent

Jaci Daggett

Chris Gillard

Dennis Haney

Staff:

Todd Bjerkaas – Director – Planning & Development

Marty Ostholthoff – Planning Manager

Tracy Case – Senior Planner

Dave Lindsay – Town Engineer

Lisa Bartley – PC Secretary/Town Clerk Pro-Tem

**2. PLEDGE OF ALLEGIANCE**

Commissioner Deitman led the pledge of allegiance.

A motion was made and seconded to name Commissioner Deitman as Acting Chairperson. Voice vote was taken. Motion carried unanimously.

**3. APPROVAL OF AGENDA**

Commissioner Damsma motioned and Commissioner Haney seconded to approve the Agenda. Voice vote was taken. Motion carried unanimously.

**4. APPROVAL OF MINUTES**

**a. June 20, 2019 – Regular Meeting**

Commissioner Damsma motioned and Commissioner Daggett seconded to approve the meeting minutes of the June 20, 2019 - Regular Meeting. Voice vote was taken. Motion carried unanimously.

**5. PUBLIC COMMENT**

There were none.

## **6. PUBLIC HEARING**

- a. Resolution PC-19-09 – Final Plat and Final Development Plan for Barefoot Lakes Filing No. 4.

Acting Chairperson Deitman verified with the Secretary that proper notice of the Public Hearing had been provided and opened the Public Hearing at 7:06 p.m.

Marty Ostholthoff provided a general overview of the proposed application request and reviewed the PowerPoint presentation of the Staff Report with the Commissioners. He also offered to answer any questions.

Jake Sippy, Design Workshop, 1390 Lawrence St, Ste 100, Denver, CO 80204, representing the applicant, provided the Commissioners with a general overview of the application request and offered to answer any questions.

Acting Chairperson Deitman opened the Public Comment portion at 7:24 p.m. Those wishing to speak:  
None

The Town Staff PowerPoint presentation was entered into the record along with all application materials submitted by the applicant; all materials included in the Planning Commission packets; the PowerPoint presentations given tonight; all written referral and public comments received regarding the application; the proofs of public notice of the public hearing; and the Town's subdivision and zoning ordinances and development regulations. Acting Chairperson Deitman closed the Public Comment portion at 7:25 p.m.

The Commissioners held a general discussion with staff and questioned the applicant regarding the application. Acting Chairperson Deitman closed the Public Hearing at 7:32 p.m.

Commissioner Gillard motioned and Commissioner Daggett seconded to approve **Resolution No. PC-19-09**, a Resolution Recommending Approval of a Final Plat and Final Development Plan for Barefoot Lakes Filing No. 4.

Voting was as follows:

Yes: Gillard, Daggett, Damsma, Haney

No: None

Absent: Spiegelberg, McAllister

Acting Chairperson Deitman declared the motion carried.

## **7. STAFF REPORTS**

Todd Bjerkaas gave an update from the BOT/PTRAB combined meeting on 7-10-19.

## **8. COMMISSIONER COMMENTS**

None

## **9. ADJOURNMENT**

A motion was made and seconded to adjourn. Voice vote was taken. Acting Chairperson Deitman declared the motion carried. The meeting was adjourned at 7:45 p.m.

Introduced and Approved this 15<sup>th</sup> day of August, 2019.

TOWN OF FIRESTONE, COLORADO

\_\_\_\_\_  
Chairperson

ATTEST

\_\_\_\_\_  
Secretary/Town Clerk Pro-Tem



## **Staff Report**

---

**Sheley 4H-M267 Wells**

**Special Use Permit**

**Prepared by the  
Town of Firestone for the  
Planning and Zoning Commission**

**August 15, 2019**

## **Applications**

This staff report is for the Sheley 3C-4H-M267 through 3H-4H-M267 Special Use Permit application proposing to locate six oil and gas wells and associated production facilities ("Well Pad") within the Town. The applicant for this submittal is Crestone Peak Resources.

## **Notice**

Pursuant to the Town Code and Development Regulations, proper notification of the public hearings was published. Proof of notification to owners of interest and surrounding property owners and a property posting log will be provided by the applicants prior to the hearings.

## **Location and Process**

The location of the Well Pad is east of Ingalls Street (WCR 17) and north of Firestone Boulevard (WCR 24); legally described as a parcel of land located in the Southwest Quarter of the Southwest Quarter of Section 4, Township 2 North, Range 67 West of the 6<sup>th</sup> Principle Meridian, Town of Firestone, Weld County, Colorado

Per Firestone's Municipal code it is required that before any person drills a well they must obtain a special use permit that has been granted by the Town.

## **Site Analysis**

The Well Pad consists of approximately 11 acres in temporary disturbance, eventually being reduced to approximately 2.4 acres once the drilling and completion areas have been reclaimed. Construction of this Well Pad will require leveling the location of the to accommodate the drilling and completion operations. The Well Pad will be accessed via an existing private access road off of Firestone Boulevard (WCR 24).

## **Plan Analysis**

Sheley 4H-M267 is a Well Pad containing 6 wells whose location is not considered a high density area as described per COGCC Rule 603.a. The plan is proposed in three phases: Temporary Disturbance Phase, Interim Phase and Reclamation Phase.

During the Temporary Disturbance Phase, drilling and completion operations will occur behind temporary sound walls. Additionally, production equipment consisting of tanks, separators, combustors and other ancillary equipment will be located within the Well Pad. In the Interim Phase, the drill pad and completion pad will be removed. In the Reclamation Phase all items will be removed and the site will be regraded to restore previous drainage patterns.

## **Fiscal Analysis**

The Special Use Permit will provide revenue through taxes to the community and promote the local economy of the Town of Firestone.

## **Planning and Zoning Commission and Board of Trustees Review Criteria**

The Planning Commission and the Town Board of Trustees may approve an application for a use permitted by special review for a well site if the application submitted by the applicant conforms to the following requirements:

- A. The site plan for a well site application complies with the requirements of Section 15.48.040A.
- B. The vicinity map for a well site application complies with the requirements of Section 15.48.040B.
- C. The narrative for a well site application complies with the requirements of Section 15.48.040C.
- D. The well location and setbacks comply with Section 15.48.080.
- E. When applicable, compliance with the provisions for mitigation of noise required in Section 15.48.100.
- F. When applicable, compliance with the provisions for visual special mitigation required in Section 15.48.110.
- G. When applicable, compliance with the provisions for geologic hazards, floodplains or floodway required in Section 15.48.160.
- H. When applicable, compliance with the provisions for wildlife mitigation procedures required in Section 15.48.180.
- I. The board of trustees' decision shall be based upon evidence presented in the application and at public hearing. Following the conclusion of the public hearing, the board of trustees may proceed to render its provisional decision orally on the application, or it may take the matter under advisement until an announced date certain not to exceed fourteen days, at which time it shall orally render its decision. In the event that an application is granted with conditions, the applicant may, within fourteen days of the board's decision, request a rehearing to demonstrate that removal or modification of one or more of the conditions is necessary to prevent waste or protect owners of correlative rights in a common source to a fair share of production profits or that the decision is otherwise inconsistent with state laws and regulations. Following the board of trustees' oral announcement of its decision, and any subsequent rehearing, a written resolution shall be adopted as its final action or decision on the application. This written resolution shall set forth findings of the board of trustees. Such written resolution shall be adopted within twenty-one days of the announcement of the board of trustees' oral decision, unless the applicant requests rehearing, in which case the written resolution shall be adopted within thirty days of the oral decision. For the purposes of judicial review, the board of trustees' final action or decision on an application shall be deemed to have been made as of the date upon which the board of trustees executes the written resolution, which shall constitute the final decision of the board of trustees.

---

### **Planning Commission or Board of Trustees Action**

The Planning Commission Board or Board of Trustees has the following options relative to the action on applications in general. As necessary additional information relative to continuances, etc. can be provided by the Town Attorney.

- A. Make a decision and vote on the application, using the draft resolution previously prepared, as may be amended during the hearing; or
- B. Make a decision and vote on the application, but request the Town Attorney to prepare findings of fact and conclusions for approval and adoption at the next regular meeting; or
- C. Defer a decision and direct the Town Attorney to prepare findings of fact and conclusions to be submitted to the Board of Trustees at its next regular meeting, with final deliberation, decision and adoption of the findings of fact and conclusion at that meeting; or
- D. Defer a decision until a date certain, as is mutually agreed upon by the Applicant and the Board of Trustees, by which time the record and all evidence can be reviewed. At that time the Board of Trustees can either adopt findings of fact and conclusions or direct the Town Attorney to prepare findings of fact and conclusions for adoption at the next regular meeting after the meeting to which the matter has been deferred.

---

### **RECOMMENDATION**

The Town staff recommends the Planning Commission approve draft Resolution PC-19-10, a resolution recommending approval of the application to the Board of Trustees with conditions.

## **FIRESTONE PLANNING AND ZONING COMMISSION**

### **RESOLUTION NO. PC-19-10**

#### **A RESOLUTION RECOMMENDING APPROVAL OF SPECIAL USE PERMITS FOR CRESTONE PEAK RESOURCES TO LOCATE SIX OIL AND GAS WELLS WITHIN THE TOWN OF FIRESTONE.**

WHEREAS, Crestone Peak Resources (hereinafter “Crestone” or “Applicant”) has submitted to the Planning and Zoning Commission of the Town of Firestone an application for special use permits to locate within the Town oil and gas wells referred to as the proposed Sheley 3C-4H-M267 through Sheley 3H-4H-M267 Wells (“Application”); and

WHEREAS, Crestone has submitted the Application and supporting materials pursuant to Chapter 15.48 of the Firestone Municipal Code; and

WHEREAS, all materials related to the proposed special use permit have been reviewed by Town Staff and found with conditions to be in compliance with Town of Firestone subdivision, zoning, and oil and gas ordinances, Development Regulations, and related Town ordinances, regulations, and policies; and

WHEREAS, pursuant to Chapter 17.32 of the Firestone Municipal Code, the Firestone Planning and Zoning Commission held a properly noticed public hearing on the special use application; and

WHEREAS, after this duly-noticed public hearing, at which evidence and testimony were entered into the record, the Planning and Zoning Commission finds the Application conforms to the review criteria set forth in Section 15.48.050 of the Firestone Municipal Code, and desires to recommend approval of the Application to the Board of Trustees, subject to certain conditions, pursuant to Chapters 15.48 and 17.32 of the Firestone Municipal Code.

NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING AND ZONING COMMISSION OF THE TOWN OF FIRESTONE, COLORADO:

**Section 1.** The Planning and Zoning Commission hereby recommends approval of the special use permit requests of Crestone Peak Resources for the location of the Sheley 3C-4H-M267 through Sheley 3H-4H-M267 Wells within the Town of Firestone, in the location more particularly described in Exhibit A attached hereto, subject to the following conditions:

1. The Town’s special use approval shall expire on the date of expiration of the Oil and Gas Conservation Commission Permit to drill the well or one year from the date of Town approval, whichever is later, if operations for the well are not commenced by such date. In

the event special use approval expires, the Applicant shall apply for a new special use permit pursuant to Chapter 15.48 of the Firestone Town Code.

2. Oil and gas operations shall be conducted in compliance with all federal, state, and local laws, rules and regulations, including but not limited to the Colorado Oil and Gas Conservation Commission (“COGCC”) permit for such well and the final special use permit application materials approved by the Town Board, which materials will be incorporated therein by reference. Applicant shall provide to the Town copies of all state approved permits, waivers, variances and subsequent notices filed with the state and affecting the well.
3. Prior to the Town issuing a notice to proceed, the applicant shall modify plans and application materials pursuant to comments from the Town Engineer set forth in a memoranda dated June 28, 2019, to the satisfaction of the Town.
4. Prior to the Town issuing a notice to proceed, the applicant shall modify plans and application materials pursuant to comments from Arrakeen Resource Company set forth in a memoranda dated June 5, 2019, to the satisfaction of the Town.
5. Prior to entering the site, Applicant shall obtain from the Town necessary building permits and notices to proceed.
6. Prior to commencement of any work within the Town the applicant, including contractors and subcontractors, shall obtain necessary Contractor’s Licenses from the Town.
7. Prior to moving the drilling rig onto the well site, Applicant shall obtain from the Town and Weld County necessary permits to move the drilling rig equipment within the Town and County, specifically an Overweight Permit from the Town is required for moving the drilling rig.
8. In the exercise of its rights pursuant to this special use approval, Applicant shall avoid any damage or interference with any Town installations, structures, utilities, or improvements. Applicant shall be responsible for all damages to such interests of the Town that are caused by the Applicant.
9. Applicant at its sole expense shall control fugitive dust at the well site and on private access roads on an as-needed basis. Methods and chemicals used for dust control shall comply with Town ordinances and COGCC regulations.
10. The oil/gas well facilities shall utilize setbacks as specified in COGCC regulations.
11. Deliveries and construction traffic to and from the site shall, whenever possible, be scheduled during daylight hours.

12. The use of pump jacks shall be limited to those running on electric motors.
13. Oil and gas operations at the well site shall comply with the Cooperative Development Plan Agreement, attached hereto as Exhibit B.

PASSED AND ADOPTED this 15<sup>th</sup> day of August, 2019.

---

Chairperson

ATTEST:

---

Secretary

**EXHIBIT A**  
**Legal Description**

A parcel of land located in the Southwest Quarter of the Southwest Quarter of Section 4, Township 2 North, Range 67 West of the 6<sup>th</sup> Principle Meridian, Town of Firestone, Weld County, Colorado.

## **EXHIBIT B**

### **Cooperative Development Plan Agreement**

## COOPERATIVE DEVELOPMENT PLAN AGREEMENT

This Cooperative Development Plan Agreement ("Agreement") is made and entered into this 13<sup>th</sup> day of December, 2018 (the "Effective Date"), by and between the Town of Firestone, a Colorado municipal corporation ("Firestone" or "Town"), whose address is 151 Grant Ave, P.O. Box 100, Firestone, Colorado 80520, and Crestone Peak Resources LLC, a Delaware limited liability company ("Crestone"), whose address is 1801 California Street, Suite 2500, Denver, Colorado 80202. Crestone and Firestone may be referred to individually as a "Party" or collectively as the "Parties."

### BACKGROUND

Firestone and Crestone value a balanced approach to oil and gas development that protects human health, safety and welfare, as well as the environment and wildlife, and that offsets any impacts from such development. To achieve such mutual objectives in a cooperative manner, Firestone and Crestone enter into this Agreement to accomplish the following:

1. To site new well pads that Crestone plans to develop within Firestone at locations that will protect public safety and the environment, while allowing for the efficient development of oil and gas;
2. To further mitigate the potential environmental and land use effects associated with this development by adopting best management practices ("BMPs") that supplement state environmental requirements in an efficient and cost-effective manner, including BMPs for odor mitigation, noise mitigation, lighting installation, road maintenance, and landscape restoration, all to benefit the Town and its residents; and
3. To make contributions for urban renewal planning and park and infrastructure improvements that will likewise benefit the Town and its residents and will also offset any remaining impacts from this development.

NOW THEREFORE, the Parties agree as follows:

### ARTICLE I. GENERAL PROVISIONS

1. **Effective Date.** This Agreement will be effective as of the Effective Date.
2. **Intent to Supplement State Rules and Regulations.** The Parties recognize that pursuant to the Colorado Oil and Gas Conservation Act, Colo. Rev. Stat. § 34-60-101 et seq., the Colorado Oil and Gas Conservation Commission ("COGCC") regulates the development and production of oil and gas resources in Colorado, and the Act authorizes the COGCC to adopt statewide rules and regulations, which the COGCC has done. The BMPs developed jointly by the Parties and identified in this Agreement are intended to supplement and are in addition to these state rules and regulations.

3. **Exercise of Local Land Use Authority.** The Parties further recognize that Firestone has enacted land use regulations pursuant to the Local Government Land Use Enabling Act, Colo. Rev. Stat. § 31-15-401 et seq., and the Land Planning Act, Colo. Rev. Stat. § 29-20-101 et seq., which authorize local governments to enact land use regulations that regulate, *inter alia*, oil and gas development, provided that such regulations are not preempted by state law. The Parties also recognize that Crestone's activities covered by this Agreement are best addressed in a collaborative manner, as set forth in this Agreement.

4. **Applicability.** This Agreement and the BMPs will apply to all new wells that Crestone drills on the Identified Well Pads during the Term of this Agreement. This Agreement will not apply to any wells for which Crestone is not the operator.

5. **Term.** The term of this Agreement will commence upon the Effective Date and will remain in effect for five (5) years (the "First Term"), which may be extended from time to time by mutual agreement of the Parties (the "Term").

6. **Effect of Termination on Obligations.** If the Agreement is terminated by either Party, any development approved by the Town will continue to be authorized under and subject to this Agreement.

7. **Drilling Plan.** In consultation with Firestone, Crestone has developed a Drilling Plan that includes both: (i) the four (4) well pad sites identified as the Bighorn, Kugel, Johnson, and Sheley on the Cooperative Development Area Map, that Crestone plans to develop during the First Term (the "Identified Well Pads"); and (ii) the BMPs that will apply to such development. The BMPs are listed on the Best Management Practices for Pad Site Locations attached as Appendix A, and the Identified Well Pads are depicted in the Cooperative Development Area Map attached as Appendix B. Crestone will not drill more than sixty (60) wells total from the Bighorn, Kugel, Johnson, and Sheley well pad sites collectively.

8. **Urban Growth Boundary.** If Crestone acquires additional real property interest during the Term at a location outside the Firestone town limits, but within the urban growth boundary as set forth on Appendix C, and Crestone intends to use such location as a pad for drilling one or more oil and gas wells, then Crestone will support Firestone's annexation of such location. If the location is annexed by Firestone, then the well pad will be considered an Identified Well Pad under this Agreement, effective as of the date of annexation. Contributions under Article II, Section 4(b) will not apply to the annexed Identified Well Pads, and the Parties will instead negotiate in good faith any contributions by Crestone to the Town related to the annexed Identified Well Pads at the time of annexation.

## **ARTICLE II. APPROVAL PROCESS, OPERATIONS, AND CONSIDERATION**

1. **Special Use Permit Submission Requirements.** For each new well Crestone drills on the Identified Well Pads, the Parties will follow the requirements and procedures outlined in Section 15.48.030 of the Firestone Municipal Code (the "Code") for special use permits, all applications submitted by Crestone will contain the elements prescribed by Section 15.48.040 of the Code, and

the Town's board of trustees will review the application using the review criteria outlined in Section 15.48.050 of the Code and the BMPs, as applicable. If the applicable provisions of the Code are amended, Crestone will comply with the most current requirements and procedures for its operations effective at the time of submission. The Town recognizes that time is of the essence with respect to approval of special use permits and will use its best efforts to process Crestone's applications submitted pursuant to this Article II, Section 1 in a prompt and timely manner. To that end, the Town agrees that Town staff review of the applications will take no longer than sixty (60) calendar days after the Town staff determines the application is complete.

**2. Crestone's Operations.** For each new well Crestone drills on the Identified Well Pads, Crestone will operate such well to comply with the BMPs and Sections 15.48.060 through 15.48.200 of the Code. If the applicable provisions of the Code are amended, Crestone will comply with the most current requirements and procedures for its operations effective at the time.

**3. Crossing Permits.** The Parties intend to minimize the use of tanks by Crestone for development under this Agreement. For all facilities associated with Crestone's oil and gas development, including flowlines, gathering lines, access roads, utility lines, storage tanks, processing and separation facilities, and other production, processing, transportation, and marketing facilities, that require a permit under Section 15.44.010 of the Code, Crestone will follow the procedures and rules set forth in Sections 15.44.020 through 15.44.100 and 15.44.120 through 15.44.150 of the Code. Crestone will make a one-time payment for each crossing permit based on the right-of-way pricing set forth on Appendix D, without minimum consideration. If the applicable provisions of the Code are amended, Crestone will comply with the most current requirements and procedures for its operations effective at the time. The Town will render a decision on each crossing permit application within ninety (90) calendar days after the application is deemed complete.

**4. Crestone's Contributions.** To offset potential impacts from the Identified Well Pads and associated wells, Crestone will make contributions to the Town as follows:

**a. Contribution to the Urban Renewal Authority.** A one-time contribution of one hundred thousand dollars (\$100,000) to the Firestone Urban Renewal Authority for the preparation of an Urban Renewal Plan, which contribution will be made within thirty (30) calendar days after the Effective Date; and

**b. Contributions for Park and Infrastructure Improvements.** A one-time contribution to Firestone of two hundred fifty thousand dollars (\$250,000) for each Identified Well Pad (excluding any Identified Well Pads included pursuant to Article I, Section 8), paid within ninety (90) calendar days after the date of first production from such Identified Well Pad as reported by Crestone to the COGCC on Crestone's Completed Interval Report, Form 5A. For planning purposes, Crestone anticipates dates of first production from two (2) Identified Well Pads to occur in 2019 and from two (2) Identified Well Pads to occur in 2020.

**5. Submissions to the COGCC.** Firestone will not object to any of Crestone's submissions to the COGCC pertaining to the Identified Well Pads and related wells, and, upon Town approval

of operations pertaining to a new well, Firestone will promptly notify the COGCC in writing that the Town has approved such operations under its land use review procedures and pursuant to this Agreement.

### **ARTICLE III. OTHER PROVISIONS**

**1. No Waiver of Rights.** The Parties acknowledge and agree that this Agreement will not be used as evidence that either Party has waived any rights to assert its claims concerning the validity of Firestone's land use authority or jurisdiction or Crestone's rights to develop its mineral resources. Nothing herein will be construed as an admission by either Party of any legal right or obligation.

**2. Force Majeure.** Neither Party will be liable for any delay or failure in performing under this Agreement in the event and to the extent that the delay or failure arises out of causes beyond a Party's reasonable control, including, without limitation, war, civil commotion, act of God, strike or other stoppage (whether partial or total) of labor, any law, decree, regulation or order of any government or governmental body (including any court or tribunal), or inability to obtain permits, licenses, consents, easements, or rights-of way. If any Party is rendered, wholly or in part, unable to carry out its obligations under this Agreement due to any such force majeure event, it is agreed that, upon the affected Party's giving notice and a description of such delay in reasonable detail in writing to the other Party as soon as reasonably possible after the occurrence of the causes relied on, the obligation of the Party giving such notice, so far as it is affected by such condition or event, will be suspended and any time periods will be extended for a period equal to the period of the continuance of the event or condition.

**3. Authority to Execute Agreement.** Each Party represents that it has the full right and authority to enter into this Agreement.

**4. Governing Law.** This Agreement will be governed and construed in accordance with the laws of the State of Colorado without reference to its conflicts of laws provisions.

**5. No Third-Party Beneficiaries.** This Agreement is not intended to, and does not, create any right, benefit, responsibility or obligation that may be enforced by any non-party. Additionally, nothing in this Agreement will entitle any third party to any claims, rights or remedies of any kind.

**6. Notices.** All notices and other correspondence related to this Agreement will be in writing and will be delivered by: (i) certified mail with return receipt, (ii) hand delivery with signature or delivery receipt provided by a third party courier service (such as FedEx, UPS, etc.), (iii) fax transmission if verification of receipt is obtained, or (iv) email with return receipt, to the designated representative of the Party as indicated below. A Party may change its designated representative for notice purposes at any time by written notice to the other Party. The initial representatives of the Parties are as follows:

|            |                   |
|------------|-------------------|
| Firestone: | Town of Firestone |
|            | 151 Grant Ave     |
|            | P.O. Box 100      |

Firestone, Colorado 80520  
Attn: Town Manager  
Telephone: 303.833.3291  
Fax: 303.833.4863  
Email: [ ]

Crestone: Crestone Peak Resources LLC  
1801 California Street, Suite 2500  
Denver, Colorado 80202  
Attn: David Stewart  
720-410-8500  
Email: David.Stewart@crestonepr.com

**7. Dispute Resolution.** If either Party believes that the other Party has violated any provision of this Agreement, the Party claiming that a violation has occurred will send written notice to the other Party, identifying the violation and invoking the dispute resolution process in this Section. Upon receiving such written notice, the other Party will have thirty (30) calendar days to remedy the alleged violation, unless such violation involves operations at a well pad site, in which case the time period will be ten (10) days. If the other Party denies the alleged violation, then the Parties will meet to resolve the alleged violation within ten (10) or thirty (30) calendar days (as the case may be) of the date of delivery of the initial written notice. If a resolution of the matter cannot be achieved at the meeting, both Parties agree to make a reasonable effort to work through and with a mutually acceptable mediator to attempt to resolve the dispute. Notwithstanding the foregoing, if either Party believes that the dispute will not otherwise be resolved in a sufficiently prompt and effective manner, such Party may, at its discretion, institute a legal proceeding in a court of proper jurisdiction to seek appropriate remedies. Such remedies may include, without limitation, an injunction to stop an alleged violation or an order requiring the performance of all acts and things required by the Agreement. Provided, however, that no such legal proceeding will be initiated for a period of at least thirty (30) calendar days after delivery of the initial written notice.

**11. Amendments to Agreement.** No changes, alterations or modifications to any of the provisions hereof will be effective unless contained in a written agreement signed by both Parties.

**12. Assignment.** Crestone may convey or assign its rights and obligations for any or all of the Identified Well Pads, related facilities, special use permits, and/or associated crossing permits, provided that such conveyance or assignment includes both Crestone's rights and its obligations for the subject Identified Well Pads, related facilities, special use permits, and/or crossing permits. For purposes of this paragraph, Crestone's rights include without limitation its vested development rights upon Town approval, and Crestone's obligations include without limitation its BMP obligations under Appendix A.

**13. Surface Use Agreement.** Crestone's predecessors-in-interest regarding certain lands in the N/2 of Section 18, Township 2 North, Range 67 West, Weld County, Colorado, the Firestone Finance Authority ("FFA"), and the Town entered into that certain Compatible Development and Surface Use Agreement dated September 25, 2006, which addresses Crestone's use of surface property owned by the Town. Concurrently with execution of this Agreement, Crestone, FFA, and

the Town will execute an amendment to such Compatible Development and Surface Use Agreement to address uses of Town property associated with the Identified Well Pads. This Agreement will not be effective until Crestone, FFA, and the Town execute such amendment.

*[Signature page follows.]*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by a duly authorized representative on the day and year first above written.

**FIRESTONE:**

THE TOWN OF FIRESTONE

By: Bobbi Sindelar  
Name: Bobbi Sindelar  
Title: Mayor  
Date: Dec. 12, 2018



**CRESTONE:**

CRESTONE PEAK RESOURCES LLC

By: David Stewart  
Name: David Stewart  
Title: VP Estimation and External Affairs  
Date: 12/6/18

**APPENDIX A**  
**BEST MANAGEMENT PRACTICES FOR PAD SITE LOCATIONS**

**1. Odor Mitigation.** To mitigate the effects of odor from Crestone's operations, Crestone will consult with the Town regarding the selection and implementation of appropriate mitigation measures. These mitigation measures may include the following:

- A. Erect walls around the Identified Well Pads to limit air flow through the well sites during the drilling and completion of wells. These walls will have a minimum height of thirty-two (32) feet, and Crestone will consult with Firestone regarding whether the walls should have a height of more than thirty-two (32) feet at the Johnson, Kugel, and Sheley well pad sites;
- B. Add odor-suppression liquid to its drilling mud to neutralize odors;
- C. Install a chiller to cool the drilling fluid as it is piped through the recirculation system before routing to the suction tanks;
- D. Enclose the suction tank and shaker tanks;
- E. Continue to evaluate different additive formulations that have the potential to better suppress odors, including but not limited to non-diesel based additives;
- F. During flowback and well completions, utilize closed-loop green completion techniques to the maximum extent practicable to minimize emissions and the flaring of natural gas; and
- G. In order to reduce airflow and evaporation, cover trucks transporting drill cuttings, cover the drilling fluid mixing tanks, use a squeegee to remove drilling fluids from pipes as they exit the wellbore, and ensure that all drilling fluid is removed from pipes before storage.

**2. Noise Mitigation.** To reduce the noise effects on the Town and its residents during drilling, and to provide cost benefits to Crestone, all permanent equipment with engines or motors that can be electrified will be electrified from the power grid, except that operations pertaining to the Bighorn well pad will not be subject to this requirement if electricity from the power grid is not available at the site. If electricity from the power grid is unavailable at the Bighorn well pad, Crestone will use quiet design mufflers (also referred to as hospital grade or dual dissipative) or equivalent, or acoustically insulated housing or covers to enclose the motor or engine at the Bighorn well pad site. Additionally,

- A. Crestone agrees to use the Liberty Quiet Fleet or comparable technology from an alternative vendor on all well sites for completion operations;

- B. Crestone will install sound walls on all four sides of the Identified Well Pads during the drilling and completion at a minimum height as set forth in BMP 1.A; and
- C. Crestone will develop and implement in consultation with the Town a Noise Mitigation and Monitoring Plan that provides for continuous monitoring and modeling from four (4) sides of the facility at least 350 feet from the sound wall where possible provided that approval from surrounding surface owners can be obtained. The plan should identify site-specific noise mitigation techniques such as dirt moving to attenuate noise, and source-based noise mitigation. Crestone will share all information and reports from such monitoring and modeling with the Town.

**3. Lighting.** Crestone will install down cast lighting or some other form of lighting that mitigates light pollution and spill-over onto adjacent properties; provided, however, that Crestone may still use lighting that is necessary for public and occupational safety.

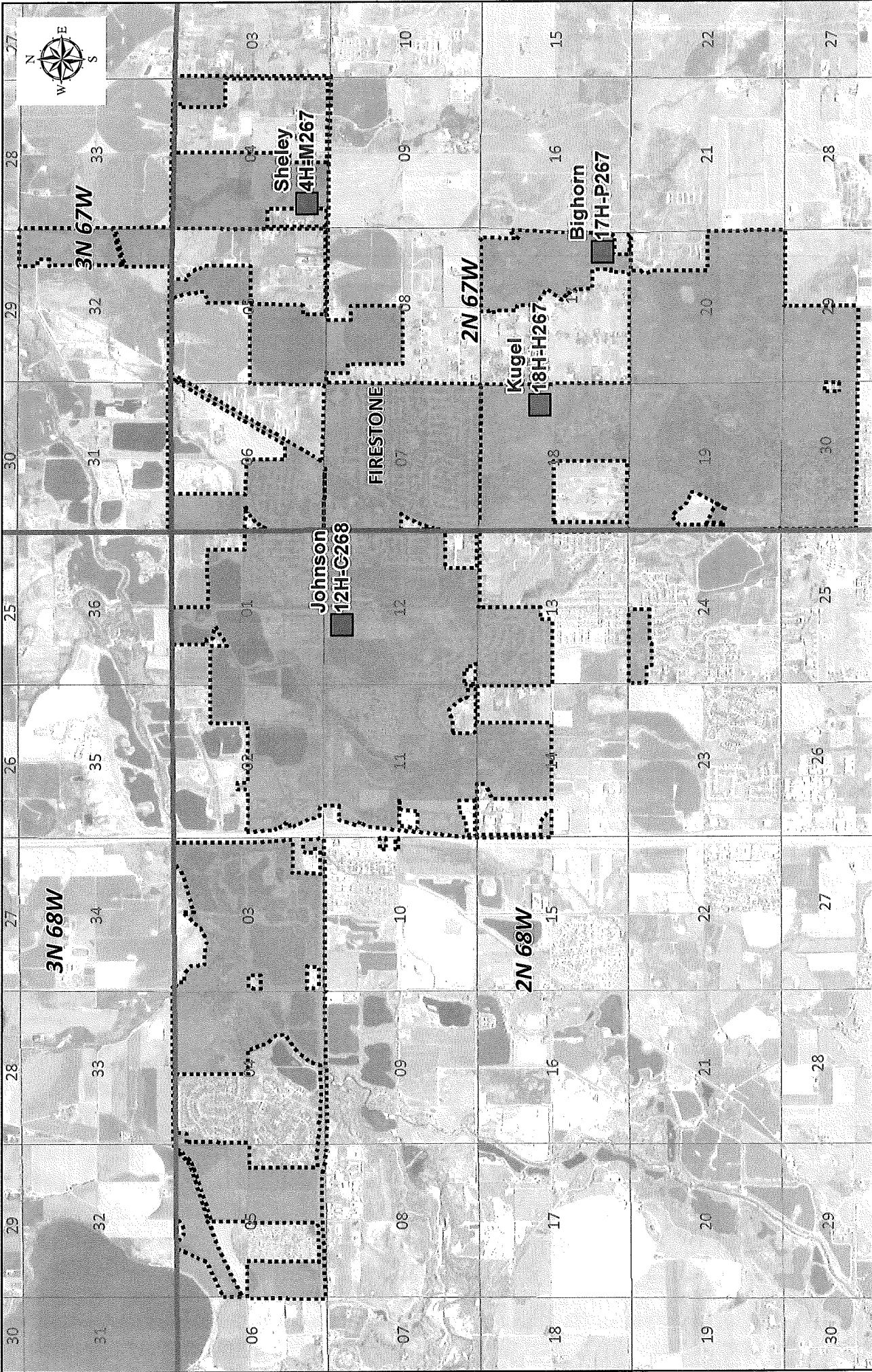
**4. Road Repairs.** The Parties recognize that truck traffic accessing the Identified Well Pads may cause damage to Firestone roads and that road repairs may be needed to mitigate such damage. Crestone will arrange for a qualified outside consultant to perform a road impact study for all Firestone roads that are used to access an Identified Well Pad during the Term. The consultant will conduct the first part of the study prior to Crestone's drilling and completions phase of operations at such Identified Well Pad and the second part of the study after Crestone completes all drilling and completions at such Identified Well Pad. The Parties will use these studies to determine the extent of any damage accruing to the road during the study period. Crestone will then promptly pay Firestone to repair such damage or else arrange and pay the cost of such repairs itself based on Firestone's preference.

**5. Drilling Pipe and other Large Tubulars Loading.** Crestone will not load large tubulars between 7:00 pm and 7:00 am Mountain Time.

**6. Kugel Landscape Restoration.** Crestone will consult with the Town to reduce the Kugel well pad footprint to the extent practicable and to mitigate potential visual effects of the Kugel pad site. A payment for landscaping at the Kugel pad site will be negotiated with and approved by the Town as part of the associated special use permit.

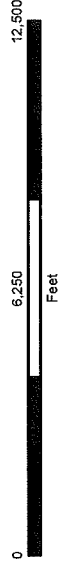
**APPENDIX B**  
**COOPERATIVE DEVELOPMENT AREA MAP**

[See attached.]



## Cooperative Development Area Map

Weld County, Colorado



### Legend

-  Crestone Locations
-  Township (PLSS)
-  Section (PLSS)
-  Town of Firestone

**APPENDIX C**  
**URBAN GROWTH BOUNDARY**

[See attached.]

# FIRESTONE BOUNDARY EXHIBIT



## LEGEND



TOWN GROWTH PLANNING BOUNDARY  
(Area=47.1 square miles)



JAN. 2016 TOWN LIMITS  
(Area=14.2 square miles)



**APPENDIX D**  
**RIGHT OF WAY PRICING**

[See attached.]



## Right-of-way Pricing

### Summary:

This pricing will be used as a minimum charge for all rights-of-way delegated to staff for review and approval. The new pricing practices accomplish the following:

1. The pricing procedures align with the objective stated in Right-of-way Policy #400-001. That is, *"To accommodate rights-of-way on state trust lands in a manner that minimizes encumbrances while preserving long-term real estate value, protecting natural values, allowing multiple uses and achieving appropriate market based returns"*.
2. The right-of-way pricing differentiates between uses that have different impacts on the land.
3. The right-of-way pricing encourages applicants to request the narrowest right-of-way possible to accommodate the desired use.
4. The right-of-way pricing charges for rights-of-way that cross virgin land.

### Right-of-way Pricing:

The Colorado State Land Board's (SLB) approach to pricing rights-of-way on state trust land uses a three step process.

1. Determines a value for the proposed right-of-way based on a fixed-value per measure of length using Table 1 below. The standard measure of length used to describe a right-of-way is the rod. A rod is 16.5 feet in length.
2. Calculate the value of the right-of-way based on the estimated market value of the property that will be encumbered.
3. Factor in any other variables unique to the trust land being encumbered. Use the greater of the two values as the consideration charge.
4. The minimum consideration for any right of way is \$5,000.

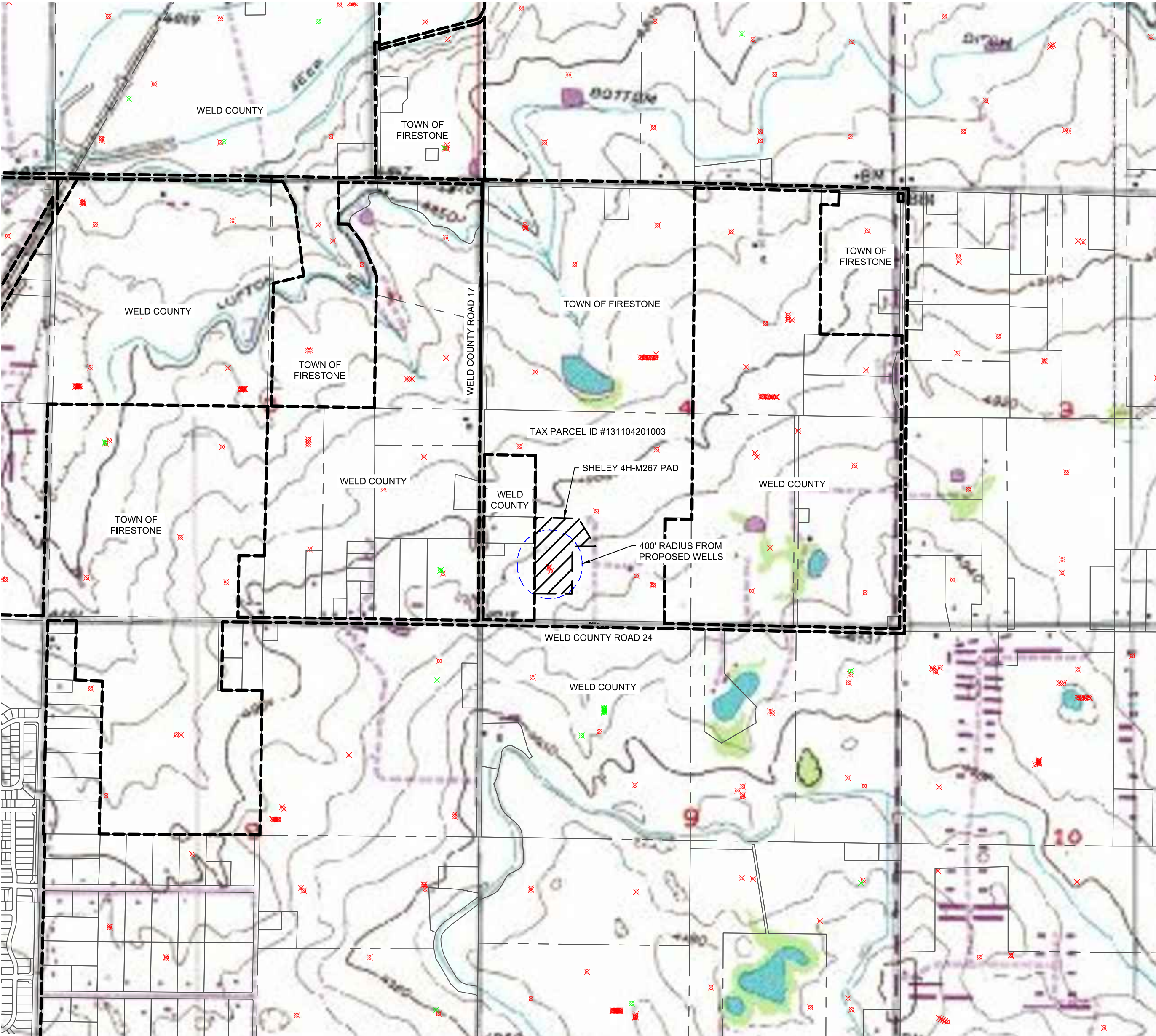
**Table 1: ROW Pricing**

| Proposed Use                                                        | ROW Width in Feet and Consideration Charge per Rod |          |          |          |          |          |          |                |
|---------------------------------------------------------------------|----------------------------------------------------|----------|----------|----------|----------|----------|----------|----------------|
|                                                                     | 0 to 20                                            | 21 to 25 | 26 to 30 | 31 to 35 | 36 to 40 | 41 to 45 | 46 to 50 | Over 50        |
| Underground Installations                                           | \$ 34.00                                           | \$ 42.50 | \$ 51.00 | \$ 59.50 | \$ 68.00 | \$ 76.50 | \$ 85.00 | Board Decision |
| Private Roads, Ditches and Canals                                   | \$ 36.00                                           | \$ 45.00 | \$ 54.00 | \$ 63.00 | \$ 72.00 | \$ 81.00 | \$ 90.00 | Board Decision |
| Public Roads, railroads, reservoirs                                 | Board Decision                                     |          |          |          |          |          |          |                |
| Electric Power Transmission Lines with capacity of 230 Kv or less   | \$ 38.00                                           | \$ 47.50 | \$ 57.00 | \$ 66.50 | \$ 76.00 | \$ 85.50 | \$ 95.00 | Board Decision |
| Electric Power Transmission Lines with capacity greater than 230 Kv | Board Decision                                     |          |          |          |          |          |          |                |

SHELEY 4H-M267 PAD  
SPECIAL USE PERMIT

GENERAL NOTES:

1. ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT, MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.
2. BASIS OF BEARINGS: THE WEST LINE OF THE SOUTHWEST ¼ OF SECTION 4, TOWNSHIP 2 NORTH, RANGE 67 WEST, ASSUMED TO BEAR N 00°27'55" E, BETWEEN A FOUND 3.25" ALUMINUM CAP, PLS 24305 AT THE SOUTHWEST CORNER AND A FOUND 2" ALUMINUM CAP, PLS 23500 AT THE WEST ¼ OF SAID SECTION 4.
3. THIS IS NOT A MONUMENTED LAND SURVEY.
4. NO TITLE INFORMATION PROVIDED AT THE TIME OF THIS SURVEY. IT IS POSSIBLE THERE ARE RECORDED AND UNRECORDED DOCUMENTS WHICH MAY AFFECT THIS PROPERTY.
5. NO WETLANDS DETERMINATIONS WERE MADE THIS DATE.
6. NO IMPROVEMENTS, OTHER THAN THOSE SHOWN, WERE LOCATED THIS DATE.
7. ALL WORK WITHIN THE PUBLIC RIGHT-OF-WAY, OR EASEMENT SHALL CONFORM TO THE TOWN OF FIRESTONE CONSTRUCTION STANDARDS AND SPECIFICATIONS.
8. THE VEGETATIVE COVER WITHIN 400 FEET OF THE PROPOSED WELLS IS NATIVE GRASSES.
9. THE SITE FENCING SHALL COMPLY WITH MUNICIPAL CODE CHAPTER 15.40.
10. CRESTONE PEAK RESOURCES IS RESPONSIBLE FOR OBTAINING ALL REQUIRES PERMITS PRIOR TO COMMENCEMENT OF ANY WORK ON THE PROJECT. CALL UTILITY NOTIFICATION CENTER OF COLORADO AT 1-800-922-1987 FOR UTILITY LOCATES AT LEAST 48 HOURS PRIOR TO ANY EXCAVATION WORK.
11. IT IS THE RESPONSIBILITY OF THE DEVELOPER DURING CONSTRUCTION ACTIVITIES TO RESOLVE CONSTRUCTION PROBLEMS DUE TO CHANGED CONDITIONS, OR DESIGN ERRORS ENCOUNTERED BY THE CONTRACTOR DURING THE PROGRESS OF ANY PORTION OF THE PROJECT. IF, IN THE OPINION OF THE TOWN, THE MODIFICATIONS PROPOSED BY THE DEVELOPER, TO THE ACCEPTED PLANS, INVOLVE SIGNIFICANT CHANGES TO THE CHARACTER OF THE WORK OR TO THE FUTURE CONTIGUOUS PUBLIC OR PRIVATE IMPROVEMENTS, THE DEVELOPER SHALL BE RESPONSIBLE FOR RESUBMITTING THE REVISED PLANS TO THE TOWN OF FIRESTONE FOR ACCEPTANCE PRIOR TO ANY FURTHER CONSTRUCTION RELATED TO THAT PORTION OF THE PROJECT. ANY IMPROVEMENTS NOT CONSTRUCTED IN ACCORDANCE WITH THE ACCEPTED PLANS, OR THE ACCEPTED REVISED PLANS, SHALL BE REMOVED AND RECONSTRUCTED ACCORDING TO THE APPROVED PLAN.
12. AREAS OF DISTURBANCE FOR THE SITE SHALL BE RESEEDDED WITH NATIVE SEED MIX.
13. TANKS, FACILITIES AND STEEL RIMMED BERMS SHALL BE PAINTED PER APPROVED TOWN PAINT COLOR.
14. THE GENERAL APPEARANCE OF THE CRESTONE PEAK RESOURCES SITE AND FACILITY MAINTENANCE SHALL BE MANAGED AS PER TOWN AND STATE REQUIREMENTS FOR OIL AND GAS OPERATIONS. THE OPERATOR SHALL ROUTINELY RE-PAINT THE SURFACE FACILITIES, TO ELIMINATE RUST AND SPILL SPOTS ON THE SURFACE FACILITIES.
15. THE PROPOSED WELL FACILITY PAD SHALL BE CONSTRUCTED WITH ROAD BASE MATERIAL WHICH IS RESISTANT TO EROSION AND DEGRADATION AND CONFORM TO THE TOWN OF FIRESTONE CONSTRUCTION STANDARDS AND SPECIFICATIONS.
16. THE PROPOSED WELL AND FACILITY ACCESS ROADS SHALL COMPLY WITH MUNICIPAL CODE CHAPTER 15.48.170.



VICINITY MAP  
SCALE: 1" = 1000'

LEGEND

- = COGCC WELLS (EXISTING)
- = COGCC WELLS (NOT EXISTING)

SHEET INDEX:

- S1 - COVER SHEET
- S2 - SITE PLAN
- S3 - DETAILS

CONTACTS:

- PROPERTY OWNER: BABCOCK LAND CORP  
212 N WAHSATCH AVE STE 301  
COLORADO SPRINGS, CO 809033476
- APPLICANT/OPERATOR: CRESTONE PEAK RESOURCES  
1801 CALIFORNIA ST, SUITE 2500  
DENVER, CO 80202
- CONSULTANT: ASCENT GEOMATICS SOLUTIONS  
8620 WOLFF COURT  
WESTMINSTER, CO 80031  
(303) 928-7128

PREPARED BY:



Ascent Geomatics Solutions  
8620 Wolff Court  
Westminster, CO 80031

PREPARED FOR:



CRESTONE PEAK RESOURCES  
1801 CALIFORNIA ST  
SUITE 2500  
DENVER CO 80202

SHEET NAME:

COVER SHEET

SURFACE LOCATION:  
SECTION 4, TOWNSHIP 2 NORTH, RANGE 67 WEST  
OF THE 6TH MUNICIPAL MERIDIAN  
WELD COUNTY, COLORADO

INT.

REVISION DESCRIPTION

DATE:

NO.

FIELD DATE:

04-16-2018

DRAWING DATE:

09-19-2018

DRAFTED BY:

CSG

SHEET NO.

S1

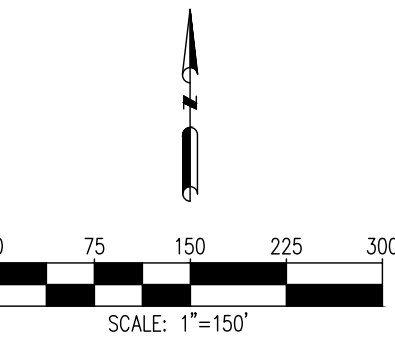
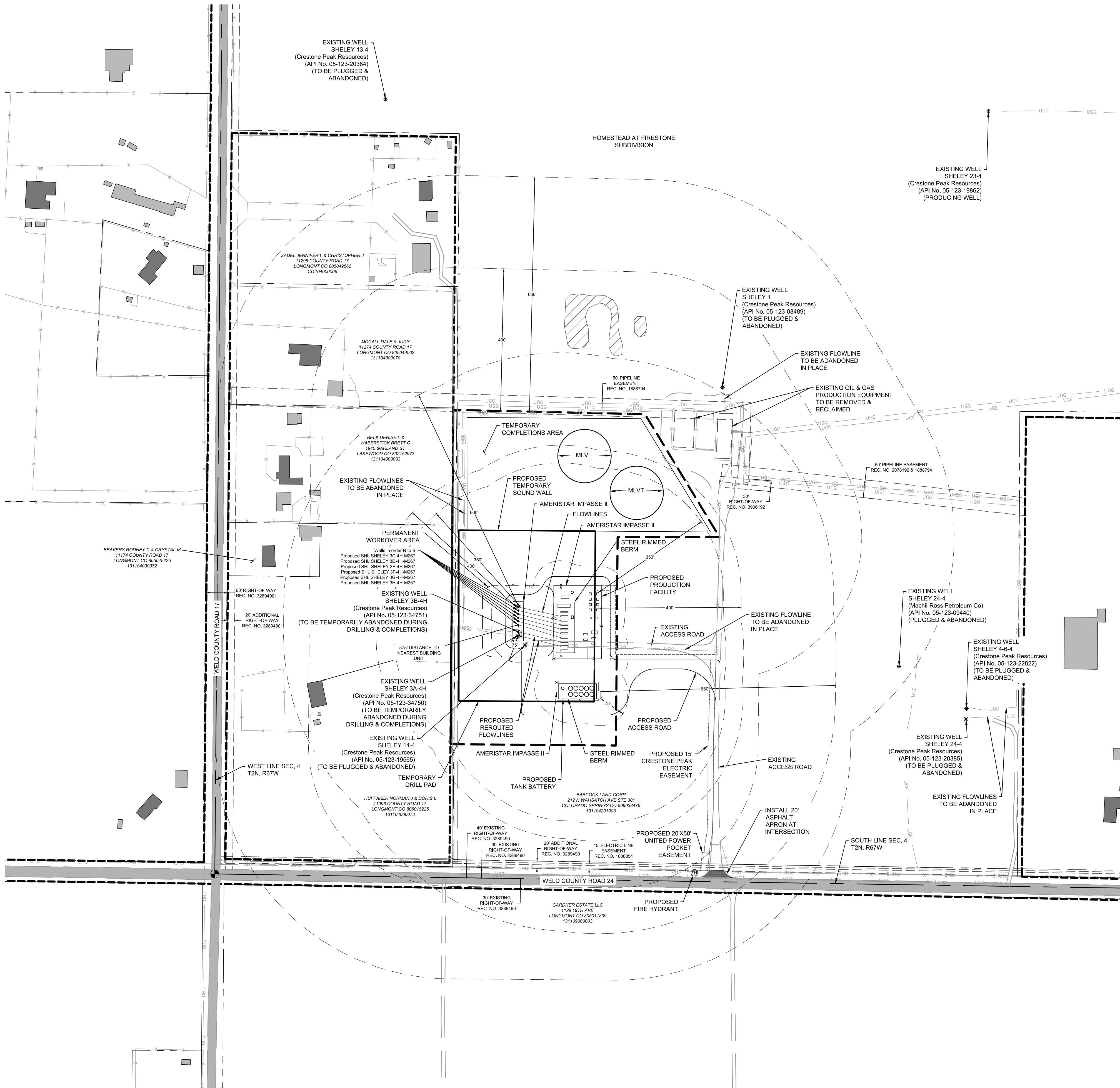
NOTE: ASCENT GEOMATICS SOLUTIONS WAS NOT PROVIDED A TITLE REPORT FOR THIS SITE. ALL RECORDED DOCUMENTS REFERENCED ON THESE PLANS WERE DOWNLOADED FROM RESEARCH VIA THE WELD COUNTY CLERK AND RECORDER. ASCENT GEOMATICS SOLUTIONS MAKES NOT GUARANTY OR WARRANTY, EITHER EXPRESSED OR IMPLIED, TO THE COMPLETENESS OF ENCUMBRANCES TO THE SUBJECT PROPERTY.

This plot does not represent a monumented land survey and should not be relied upon to determine boundary lines, property ownership or other property interests. Parcel lines, if depicted have not been field verified and may be based upon publicly available data that also has not been independently verified.

DATA SOURCES:  
TOWN MAPS  
PARCELS: WELD COUNTY ASSessor  
MUNICIPAL BOUNDARY: US Census BUREAU

PUBLICLY AVAILABLE DATA SOURCES  
HAVE NOT BEEN INDEPENDENTLY  
VERIFIED BY ASCENT

SHELEY 4H-M267 PAD  
SPECIAL USE PERMIT



Please note that the size & elevation of the proposed equipment is approximate and the actual orientation of the equipment inside the fencing is subject to change.

NOTE: ASCENT GEOMATICS SOLUTIONS WAS NOT PROVIDED A TITLE REPORT FOR THIS SITE. ALL RECORDED DOCUMENTS REFERENCED ON THESE PLANS WERE DOWNLOADED FROM RESEARCH VIA THE WELD COUNTY CLERK AND RECORDER. ASCENT GEOMATICS SOLUTIONS MAKES NO WARRANTY OR WARRANTY, EITHER EXPRESSED OR IMPLIED, TO THE COMPLETENESS OF ENCUMBRANCES TO THE SUBJECT PROPERTY.

This plot does not represent a monumented land survey and should not be relied upon to determine boundary lines, property ownership or other property interests. Parcel lines, if depicted have not been field verified and may be based upon publicly available data that also has not been independently verified.

DATA SOURCES:  
PARCELS: WELD COUNTY ASSESSOR  
WELLS: COSO  
MUNICIPAL BOUNDARY: US CENSUS BUREAU

PUBLICLY AVAILABLE DATA SOURCES HAVE NOT BEEN INDEPENDENTLY VERIFIED BY ASCENT.

PREPARED BY:



Ascent Geomatics Solutions  
8620 Wolff Court  
Westminster, CO 80031

PREPARED FOR:



CRESTONE PEAK RESOURCES  
1801 CALIFORNIA ST  
SUITE 2500  
DENVER CO 80202

SHEET NAME:

SITE PLAN

INT.

REVISION DESCRIPTION

DATE:

NO.

FIELD DATE:

04-16-2018

DRAWING DATE:

09-19-2018

DRAFTED BY:

CSG

SHEET NO.

S2

SHELEY 4H-M267 PAD  
SPECIAL USE PERMIT

FACILITY CROSS-SECTION

PREPARED BY:



Ascent Geomatics Solutions  
8620 Wolff Court  
Westminster, CO 80031

PREPARED FOR:



CRESTONE PEAK RESOURCES  
1801 CALIFORNIA ST  
SUITE 2500  
DENVER CO 80202

SECTION 4: TOWNSHIP 2 NORTH, RANGE 67 WEST  
WELD COUNTY, COLORADO

DETAILS

SHEET NAME:

INT.

REVISION DESCRIPTION

NO.

DATE:

FIELD DATE:

DRAWING DATE:

DRAFTED BY:

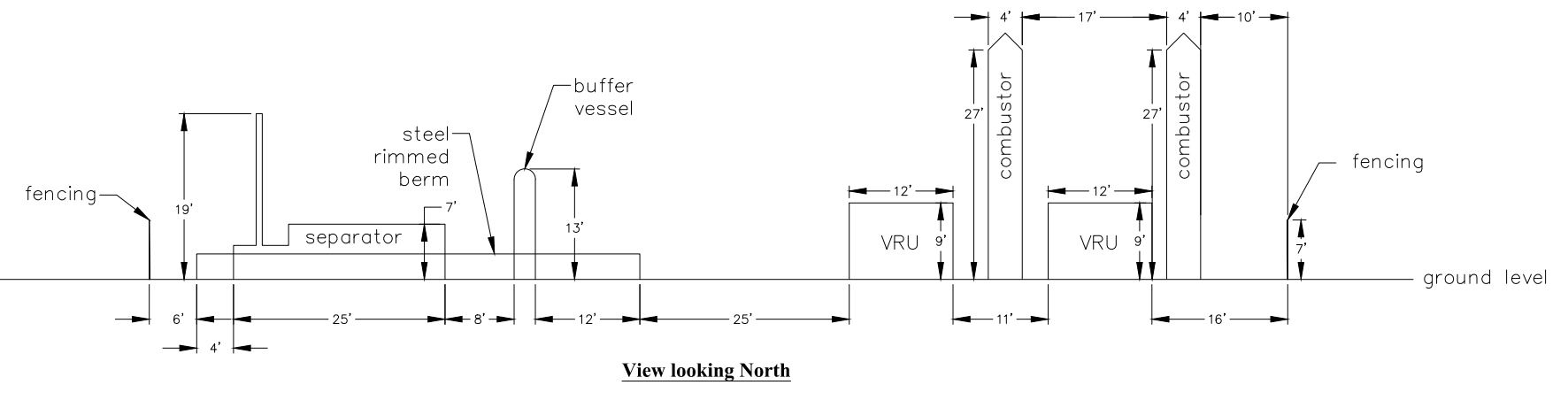
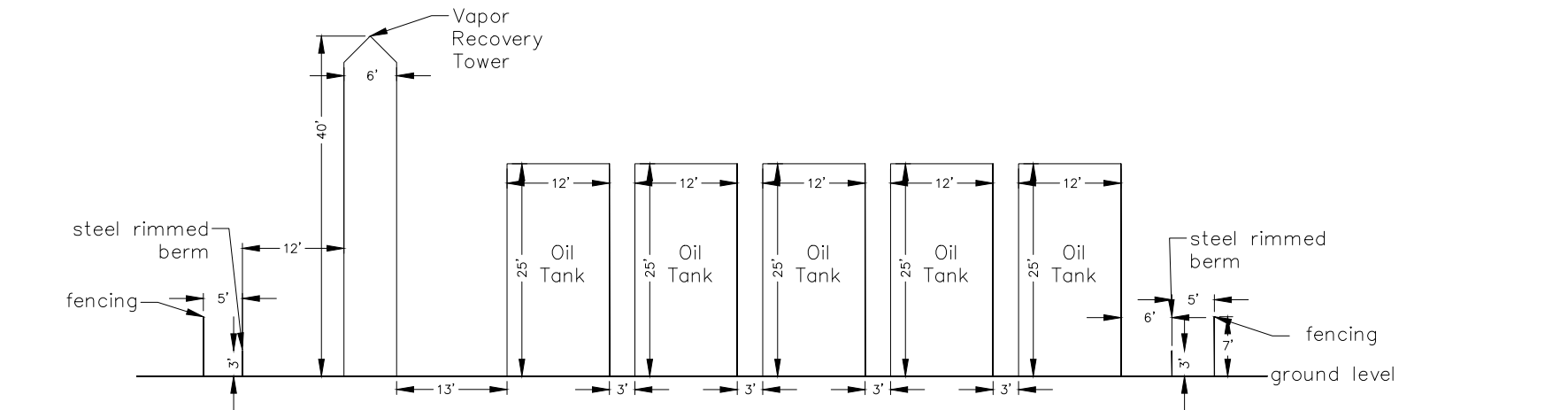
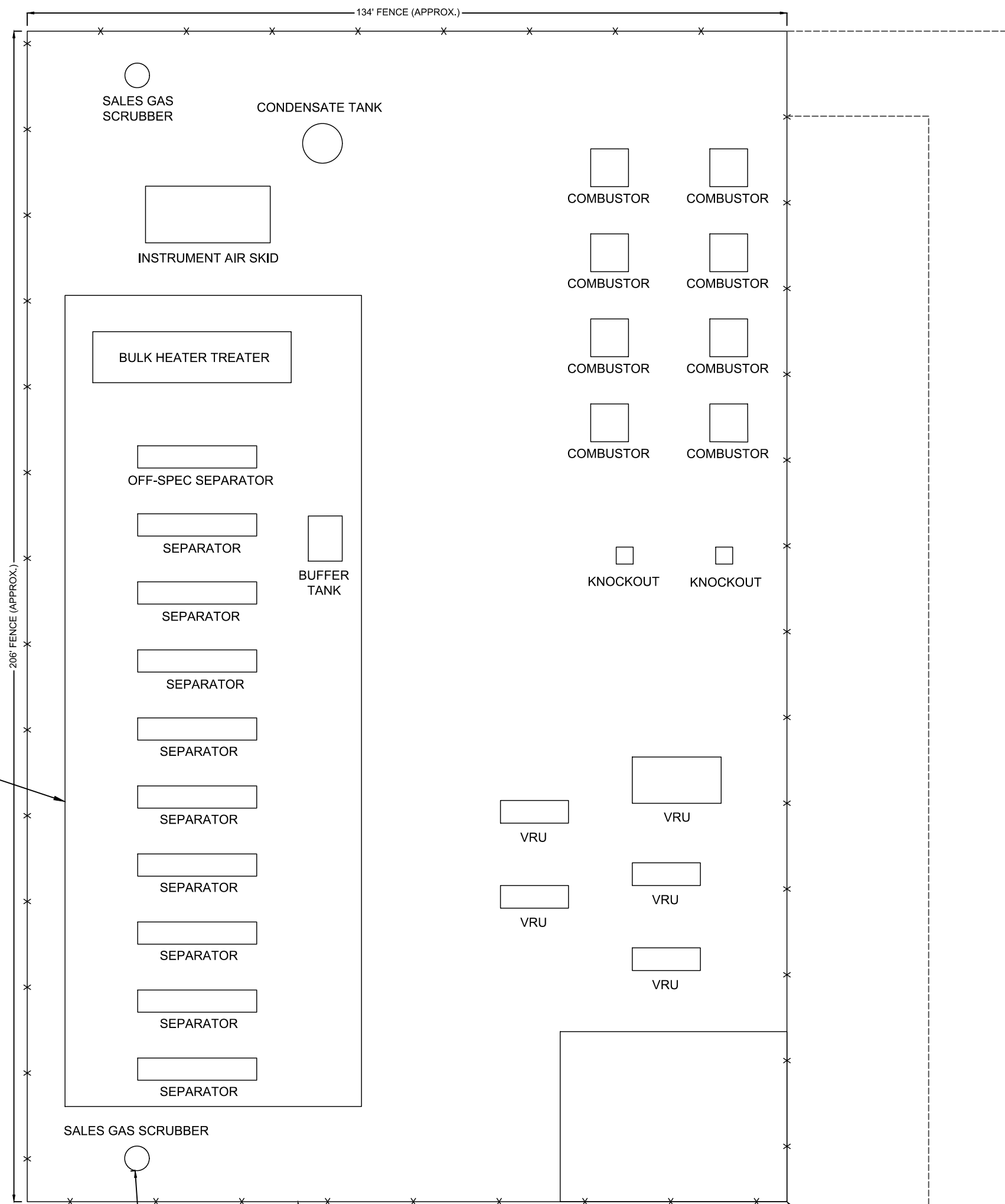
CSG

SHEET NO.

S3

Steel Rimmed Berm Details

Steel Berm Ring is sized to hold 150% of the capacity of the largest tank.  
Berm Ring is 38" in height and is buried 7" into ground.  
Side panels are bolted to 6" steel posts buried 3' into ground. Sidewalls made of  
G-90 galvanized steel which are painted "Crestone Tan"



PAINT SPECS

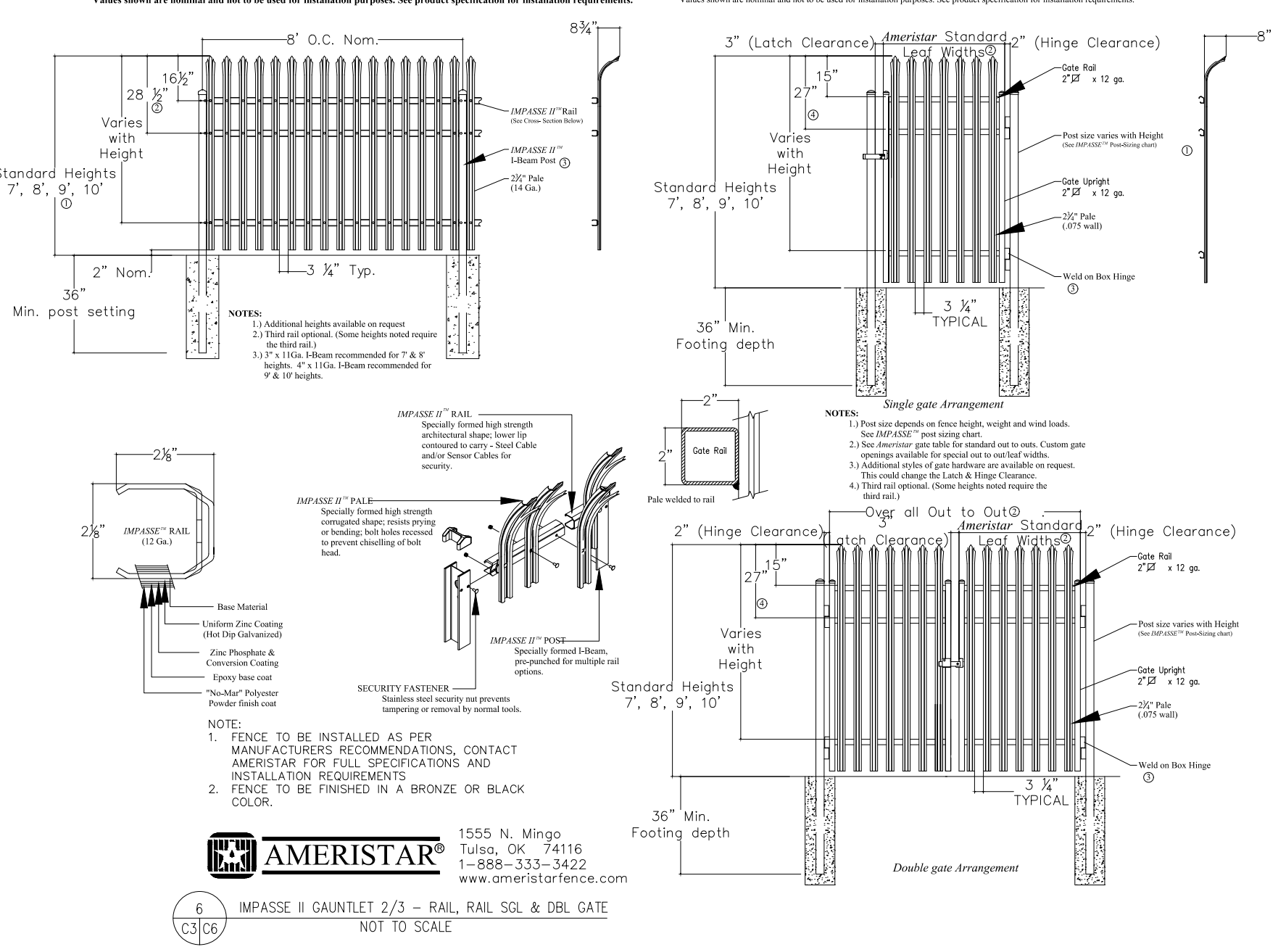
Protective & Marine Coatings  
ACROLON™ 218 HS  
ACRYLIC POLYURETHANE  
PRODUCT INFORMATION  
RECOMMENDED SYSTEMS  
SURFACE PREPARATION  
APPLICATION PROCEDURES  
PERFORMANCE TIPS

Protective & Marine Coatings  
ACROLON™ 218 HS  
ACRYLIC POLYURETHANE  
PRODUCT INFORMATION  
RECOMMENDED SYSTEMS  
SURFACE PREPARATION  
APPLICATION PROCEDURES  
PERFORMANCE TIPS

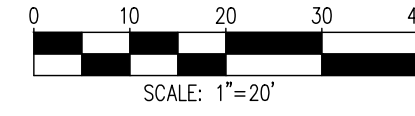
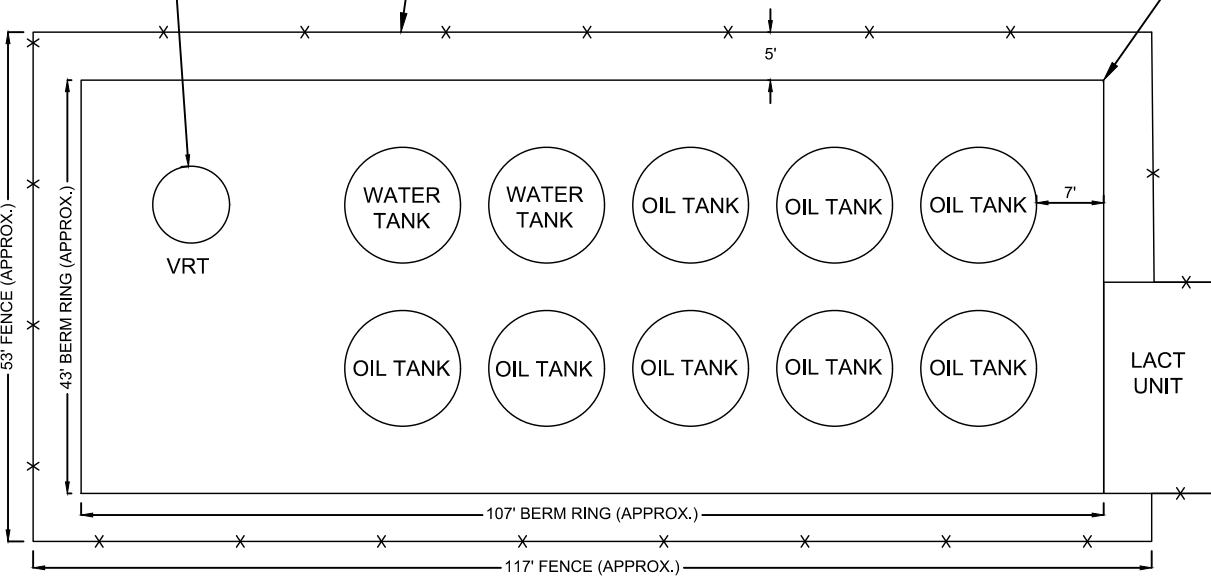
Protective & Marine Coatings  
ACROLON™ 218 HS  
ACRYLIC POLYURETHANE  
PRODUCT INFORMATION  
RECOMMENDED SYSTEMS  
SURFACE PREPARATION  
APPLICATION PROCEDURES  
PERFORMANCE TIPS

Protective & Marine Coatings  
ACROLON™ 218 HS  
ACRYLIC POLYURETHANE  
PRODUCT INFORMATION  
RECOMMENDED SYSTEMS  
SURFACE PREPARATION  
APPLICATION PROCEDURES  
PERFORMANCE TIPS

FENCE DETAIL



STEEL RIMMED BERM



Please note that the size & elevation of the proposed  
equipment is approximate and the actual orientation of  
the equipment inside the fencing is subject to change.

NOTE: ASCENT GEOMATICS SOLUTIONS WAS NOT PROVIDED A TITLE REPORT FOR THIS SITE. ALL  
RECORDED DOCUMENTS REFERENCED ON THESE PLANS WERE DOWNLOADED FROM RESEARCH VIA THE  
WELD COUNTY CLERK AND RECORDER. ASCENT GEOMATICS SOLUTIONS MAKES NO WARRANTY OR  
WARRANTY, EITHER EXPRESSED OR IMPLIED, TO THE COMPLETENESS OF ENCUMBRANCES TO THE  
SUBJECT PROPERTY.

This plot does not represent a monumented land survey and should not be relied  
upon to determine boundary lines, property ownership or other property  
interests. Parcel lines, if depicted have not been field verified and may be based  
upon publicly available data that also has not been independently verified.

PUBLICLY AVAILABLE DATA SOURCES  
HAVE NOT BEEN INDEPENDENTLY  
VERIFIED BY ASCENT.



## **Staff Report**

---

**Johnson 12H-C268 Wells**

**Special Use Permit**

**Prepared by the  
Town of Firestone for the  
Planning and Zoning Commission**

**August 15, 2019**

## **Applications**

This staff report is for the Johnson 2A-12H-C268 through 2L-12H-C268 Special Use Permit application proposing to locate twelve oil and gas wells and associated production facilities ("Well Pad") within the Town. The applicant for this submittal is Crestone Peak Resources.

## **Notice**

Pursuant to the Town Code and Development Regulations, proper notification of the public hearings was published. Proof of notification to owners of interest and surrounding property owners and a property posting log will be provided by the applicants prior to the hearings.

## **Location and Process**

The location of the Well Pad is approximately ½ mile east of Birch Street (WCR 11) and south of Firestone Boulevard (WCR 24); legally described as a parcel of land located in the Northeast Quarter of the Northwest Quarter of Section 12, Township 2 North, Range 68 West of the 6<sup>th</sup> Principle Meridian, Town of Firestone, Weld County, Colorado

Per Firestone's Municipal code it is required that before any person drills a well they must obtain a special use permit that has been granted by the Town.

## **Site Analysis**

The Well Pad consists of approximately 17.5 acres in temporary disturbance, eventually being reduced to approximately 12.5 acres once the drilling and completion areas have been reclaimed. Construction of this Well Pad will require leveling the location of the to accommodate the drilling and completion operations. The Well Pad will be accessed via an existing private access road off of Firestone Boulevard (WCR 24).

## **Plan Analysis**

Johnson 12H-C268 is a Well Pad containing 12 wells whose location is not considered a high density area as described per COGCC Rule 603.a. The plan is proposed in three phases: Temporary Disturbance Phase, Interim Phase and Reclamation Phase.

During the Temporary Disturbance Phase, drilling and completion operations will occur behind temporary sound walls. Additionally, production equipment consisting of tanks, separators, combustors and other ancillary equipment will be located within the Well Pad. In the Interim Phase, the drill pad and completion pad will be removed. In the Reclamation Phase all items will be removed and the site will be regraded to restore previous drainage patterns.

## **Fiscal Analysis**

The Special Use Permit will provide revenue through taxes to the community and promote the local economy of the Town of Firestone.

## **Planning and Zoning Commission and Board of Trustees Review Criteria**

The Planning Commission and the Town Board of Trustees may approve an application for a use permitted by special review for a well site if the application submitted by the applicant conforms to the following requirements:

- A. The site plan for a well site application complies with the requirements of Section 15.48.040A.
- B. The vicinity map for a well site application complies with the requirements of Section 15.48.040B.
- C. The narrative for a well site application complies with the requirements of Section 15.48.040C.
- D. The well location and setbacks comply with Section 15.48.080.
- E. When applicable, compliance with the provisions for mitigation of noise required in Section 15.48.100.
- F. When applicable, compliance with the provisions for visual special mitigation required in Section 15.48.110.
- G. When applicable, compliance with the provisions for geologic hazards, floodplains or floodway required in Section 15.48.160.
- H. When applicable, compliance with the provisions for wildlife mitigation procedures required in Section 15.48.180.
- I. The board of trustees' decision shall be based upon evidence presented in the application and at public hearing. Following the conclusion of the public hearing, the board of trustees may proceed to render its provisional decision orally on the application, or it may take the matter under advisement until an announced date certain not to exceed fourteen days, at which time it shall orally render its decision. In the event that an application is granted with conditions, the applicant may, within fourteen days of the board's decision, request a rehearing to demonstrate that removal or modification of one or more of the conditions is necessary to prevent waste or protect owners of correlative rights in a common source to a fair share of production profits or that the decision is otherwise inconsistent with state laws and regulations. Following the board of trustees' oral announcement of its decision, and any subsequent rehearing, a written resolution shall be adopted as its final action or decision on the application. This written resolution shall set forth findings of the board of trustees. Such written resolution shall be adopted within twenty-one days of the announcement of the board of trustees' oral decision, unless the applicant requests rehearing, in which case the written resolution shall be adopted within thirty days of the oral decision. For the purposes of judicial review, the board of trustees' final action or decision on an application shall be deemed to have been made as of the date upon which the board of trustees executes the written resolution, which shall constitute the final decision of the board of trustees.

---

### **Planning Commission or Board of Trustees Action**

The Planning Commission Board or Board of Trustees has the following options relative to the action on applications in general. As necessary additional information relative to continuances, etc. can be provided by the Town Attorney.

- A. Make a decision and vote on the application, using the draft resolution previously prepared, as may be amended during the hearing; or
- B. Make a decision and vote on the application, but request the Town Attorney to prepare findings of fact and conclusions for approval and adoption at the next regular meeting; or
- C. Defer a decision and direct the Town Attorney to prepare findings of fact and conclusions to be submitted to the Board of Trustees at its next regular meeting, with final deliberation, decision and adoption of the findings of fact and conclusion at that meeting; or
- D. Defer a decision until a date certain, as is mutually agreed upon by the Applicant and the Board of Trustees, by which time the record and all evidence can be reviewed. At that time the Board of Trustees can either adopt findings of fact and conclusions or direct the Town Attorney to prepare findings of fact and conclusions for adoption at the next regular meeting after the meeting to which the matter has been deferred.

---

### **RECOMMENDATION**

The Town staff recommends the Planning Commission approve draft Resolution PC-19-11, a resolution recommending approval of the application to the Board of Trustees with conditions.

## **FIRESTONE PLANNING AND ZONING COMMISSION**

### **RESOLUTION NO. PC-19-11**

#### **A RESOLUTION RECOMMENDING APPROVAL OF SPECIAL USE PERMITS FOR CRESTONE PEAK RESOURCES TO LOCATE TWELVE OIL AND GAS WELLS WITHIN THE TOWN OF FIRESTONE.**

WHEREAS, Crestone Peak Resources (hereinafter “Crestone” or “Applicant”) has submitted to the Planning and Zoning Commission of the Town of Firestone an application for special use permits to locate within the Town oil and gas wells referred to as the proposed Johnson 2A-12H-C268 through Johnson 2L-12H-C268 Wells (“Application”); and

WHEREAS, Crestone has submitted the Application and supporting materials pursuant to Chapter 15.48 of the Firestone Municipal Code; and

WHEREAS, all materials related to the proposed special use permit have been reviewed by Town Staff and found with conditions to be in compliance with Town of Firestone subdivision, zoning, and oil and gas ordinances, Development Regulations, and related Town ordinances, regulations, and policies; and

WHEREAS, pursuant to Chapter 17.32 of the Firestone Municipal Code, the Firestone Planning and Zoning Commission held a properly noticed public hearing on the special use application; and

WHEREAS, after this duly-noticed public hearing, at which evidence and testimony were entered into the record, the Planning and Zoning Commission finds the Application conforms to the review criteria set forth in Section 15.48.050 of the Firestone Municipal Code, and desires to recommend approval of the Application to the Board of Trustees, subject to certain conditions, pursuant to Chapters 15.48 and 17.32 of the Firestone Municipal Code.

NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING AND ZONING COMMISSION OF THE TOWN OF FIRESTONE, COLORADO:

**Section 1.** The Planning and Zoning Commission hereby recommends approval of the special use permit requests of Crestone Peak Resources for the location of the Johnson 2A-12H-C268 through Johnson 2L-12H-C268 Wells within the Town of Firestone, in the location more particularly described in Exhibit A attached hereto, subject to the following conditions:

1. The Town’s special use approval shall expire on the date of expiration of the Oil and Gas Conservation Commission Permit to drill the well or one year from the date of Town approval, whichever is later, if operations for the well are not commenced by such date. In

the event special use approval expires, the Applicant shall apply for a new special use permit pursuant to Chapter 15.48 of the Firestone Town Code.

2. Oil and gas operations shall be conducted in compliance with all federal, state, and local laws, rules and regulations, including but not limited to the Colorado Oil and Gas Conservation Commission (“COGCC”) permit for such well and the final special use permit application materials approved by the Town Board, which materials will be incorporated therein by reference. Applicant shall provide to the Town copies of all state approved permits, waivers, variances and subsequent notices filed with the state and affecting the well.
3. Prior to the Town issuing a notice to proceed, the applicant shall modify plans and application materials pursuant to comments from the Town Engineer set forth in a memoranda dated June 28, 2019, to the satisfaction of the Town.
4. Prior to the Town issuing a notice to proceed, the applicant shall modify plans and application materials pursuant to comments from Arrakeen Resource Company set forth in a memoranda dated June 5, 2019, to the satisfaction of the Town.
5. Prior to entering the site, Applicant shall obtain from the Town necessary building permits and notices to proceed.
6. Prior to commencement of any work within the Town the applicant, including contractors and subcontractors, shall obtain necessary Contractor’s Licenses from the Town.
7. Prior to moving the drilling rig onto the well site, Applicant shall obtain from the Town and Weld County necessary permits to move the drilling rig equipment within the Town and County, specifically an Overweight Permit from the Town is required for moving the drilling rig.
8. In the exercise of its rights pursuant to this special use approval, Applicant shall avoid any damage or interference with any Town installations, structures, utilities, or improvements. Applicant shall be responsible for all damages to such interests of the Town that are caused by the Applicant.
9. Applicant at its sole expense shall control fugitive dust at the well site and on private access roads on an as-needed basis. Methods and chemicals used for dust control shall comply with Town ordinances and COGCC regulations.
10. The oil/gas well facilities shall utilize setbacks as specified in COGCC regulations.
11. Deliveries and construction traffic to and from the site shall, whenever possible, be scheduled during daylight hours.

12. The use of pump jacks shall be limited to those running on electric motors.
13. Oil and gas operations at the well site shall comply with the Cooperative Development Plan Agreement, attached hereto as Exhibit B.

PASSED AND ADOPTED this 15<sup>th</sup> day of August, 2019.

---

Chairperson

ATTEST:

---

Secretary

**EXHIBIT A**  
**Legal Description**

A parcel of land located in the Southwest Quarter of the Southwest Quarter of Section 4, Township 2 North, Range 67 West of the 6<sup>th</sup> Principle Meridian, Town of Firestone, Weld County, Colorado.

## **EXHIBIT B**

### **Cooperative Development Plan Agreement**

## COOPERATIVE DEVELOPMENT PLAN AGREEMENT

This Cooperative Development Plan Agreement ("Agreement") is made and entered into this 13<sup>th</sup> day of December, 2018 (the "Effective Date"), by and between the Town of Firestone, a Colorado municipal corporation ("Firestone" or "Town"), whose address is 151 Grant Ave, P.O. Box 100, Firestone, Colorado 80520, and Crestone Peak Resources LLC, a Delaware limited liability company ("Crestone"), whose address is 1801 California Street, Suite 2500, Denver, Colorado 80202. Crestone and Firestone may be referred to individually as a "Party" or collectively as the "Parties."

### BACKGROUND

Firestone and Crestone value a balanced approach to oil and gas development that protects human health, safety and welfare, as well as the environment and wildlife, and that offsets any impacts from such development. To achieve such mutual objectives in a cooperative manner, Firestone and Crestone enter into this Agreement to accomplish the following:

1. To site new well pads that Crestone plans to develop within Firestone at locations that will protect public safety and the environment, while allowing for the efficient development of oil and gas;
2. To further mitigate the potential environmental and land use effects associated with this development by adopting best management practices ("BMPs") that supplement state environmental requirements in an efficient and cost-effective manner, including BMPs for odor mitigation, noise mitigation, lighting installation, road maintenance, and landscape restoration, all to benefit the Town and its residents; and
3. To make contributions for urban renewal planning and park and infrastructure improvements that will likewise benefit the Town and its residents and will also offset any remaining impacts from this development.

NOW THEREFORE, the Parties agree as follows:

### ARTICLE I. GENERAL PROVISIONS

1. **Effective Date.** This Agreement will be effective as of the Effective Date.
2. **Intent to Supplement State Rules and Regulations.** The Parties recognize that pursuant to the Colorado Oil and Gas Conservation Act, Colo. Rev. Stat. § 34-60-101 et seq., the Colorado Oil and Gas Conservation Commission ("COGCC") regulates the development and production of oil and gas resources in Colorado, and the Act authorizes the COGCC to adopt statewide rules and regulations, which the COGCC has done. The BMPs developed jointly by the Parties and identified in this Agreement are intended to supplement and are in addition to these state rules and regulations.

3. **Exercise of Local Land Use Authority.** The Parties further recognize that Firestone has enacted land use regulations pursuant to the Local Government Land Use Enabling Act, Colo. Rev. Stat. § 31-15-401 et seq., and the Land Planning Act, Colo. Rev. Stat. § 29-20-101 et seq., which authorize local governments to enact land use regulations that regulate, *inter alia*, oil and gas development, provided that such regulations are not preempted by state law. The Parties also recognize that Crestone's activities covered by this Agreement are best addressed in a collaborative manner, as set forth in this Agreement.

4. **Applicability.** This Agreement and the BMPs will apply to all new wells that Crestone drills on the Identified Well Pads during the Term of this Agreement. This Agreement will not apply to any wells for which Crestone is not the operator.

5. **Term.** The term of this Agreement will commence upon the Effective Date and will remain in effect for five (5) years (the "First Term"), which may be extended from time to time by mutual agreement of the Parties (the "Term").

6. **Effect of Termination on Obligations.** If the Agreement is terminated by either Party, any development approved by the Town will continue to be authorized under and subject to this Agreement.

7. **Drilling Plan.** In consultation with Firestone, Crestone has developed a Drilling Plan that includes both: (i) the four (4) well pad sites identified as the Bighorn, Kugel, Johnson, and Sheley on the Cooperative Development Area Map, that Crestone plans to develop during the First Term (the "Identified Well Pads"); and (ii) the BMPs that will apply to such development. The BMPs are listed on the Best Management Practices for Pad Site Locations attached as Appendix A, and the Identified Well Pads are depicted in the Cooperative Development Area Map attached as Appendix B. Crestone will not drill more than sixty (60) wells total from the Bighorn, Kugel, Johnson, and Sheley well pad sites collectively.

8. **Urban Growth Boundary.** If Crestone acquires additional real property interest during the Term at a location outside the Firestone town limits, but within the urban growth boundary as set forth on Appendix C, and Crestone intends to use such location as a pad for drilling one or more oil and gas wells, then Crestone will support Firestone's annexation of such location. If the location is annexed by Firestone, then the well pad will be considered an Identified Well Pad under this Agreement, effective as of the date of annexation. Contributions under Article II, Section 4(b) will not apply to the annexed Identified Well Pads, and the Parties will instead negotiate in good faith any contributions by Crestone to the Town related to the annexed Identified Well Pads at the time of annexation.

## **ARTICLE II. APPROVAL PROCESS, OPERATIONS, AND CONSIDERATION**

1. **Special Use Permit Submission Requirements.** For each new well Crestone drills on the Identified Well Pads, the Parties will follow the requirements and procedures outlined in Section 15.48.030 of the Firestone Municipal Code (the "Code") for special use permits, all applications submitted by Crestone will contain the elements prescribed by Section 15.48.040 of the Code, and

the Town's board of trustees will review the application using the review criteria outlined in Section 15.48.050 of the Code and the BMPs, as applicable. If the applicable provisions of the Code are amended, Crestone will comply with the most current requirements and procedures for its operations effective at the time of submission. The Town recognizes that time is of the essence with respect to approval of special use permits and will use its best efforts to process Crestone's applications submitted pursuant to this Article II, Section 1 in a prompt and timely manner. To that end, the Town agrees that Town staff review of the applications will take no longer than sixty (60) calendar days after the Town staff determines the application is complete.

**2. Crestone's Operations.** For each new well Crestone drills on the Identified Well Pads, Crestone will operate such well to comply with the BMPs and Sections 15.48.060 through 15.48.200 of the Code. If the applicable provisions of the Code are amended, Crestone will comply with the most current requirements and procedures for its operations effective at the time.

**3. Crossing Permits.** The Parties intend to minimize the use of tanks by Crestone for development under this Agreement. For all facilities associated with Crestone's oil and gas development, including flowlines, gathering lines, access roads, utility lines, storage tanks, processing and separation facilities, and other production, processing, transportation, and marketing facilities, that require a permit under Section 15.44.010 of the Code, Crestone will follow the procedures and rules set forth in Sections 15.44.020 through 15.44.100 and 15.44.120 through 15.44.150 of the Code. Crestone will make a one-time payment for each crossing permit based on the right-of-way pricing set forth on Appendix D, without minimum consideration. If the applicable provisions of the Code are amended, Crestone will comply with the most current requirements and procedures for its operations effective at the time. The Town will render a decision on each crossing permit application within ninety (90) calendar days after the application is deemed complete.

**4. Crestone's Contributions.** To offset potential impacts from the Identified Well Pads and associated wells, Crestone will make contributions to the Town as follows:

**a. Contribution to the Urban Renewal Authority.** A one-time contribution of one hundred thousand dollars (\$100,000) to the Firestone Urban Renewal Authority for the preparation of an Urban Renewal Plan, which contribution will be made within thirty (30) calendar days after the Effective Date; and

**b. Contributions for Park and Infrastructure Improvements.** A one-time contribution to Firestone of two hundred fifty thousand dollars (\$250,000) for each Identified Well Pad (excluding any Identified Well Pads included pursuant to Article I, Section 8), paid within ninety (90) calendar days after the date of first production from such Identified Well Pad as reported by Crestone to the COGCC on Crestone's Completed Interval Report, Form 5A. For planning purposes, Crestone anticipates dates of first production from two (2) Identified Well Pads to occur in 2019 and from two (2) Identified Well Pads to occur in 2020.

**5. Submissions to the COGCC.** Firestone will not object to any of Crestone's submissions to the COGCC pertaining to the Identified Well Pads and related wells, and, upon Town approval

of operations pertaining to a new well, Firestone will promptly notify the COGCC in writing that the Town has approved such operations under its land use review procedures and pursuant to this Agreement.

### **ARTICLE III. OTHER PROVISIONS**

**1. No Waiver of Rights.** The Parties acknowledge and agree that this Agreement will not be used as evidence that either Party has waived any rights to assert its claims concerning the validity of Firestone's land use authority or jurisdiction or Crestone's rights to develop its mineral resources. Nothing herein will be construed as an admission by either Party of any legal right or obligation.

**2. Force Majeure.** Neither Party will be liable for any delay or failure in performing under this Agreement in the event and to the extent that the delay or failure arises out of causes beyond a Party's reasonable control, including, without limitation, war, civil commotion, act of God, strike or other stoppage (whether partial or total) of labor, any law, decree, regulation or order of any government or governmental body (including any court or tribunal), or inability to obtain permits, licenses, consents, easements, or rights-of way. If any Party is rendered, wholly or in part, unable to carry out its obligations under this Agreement due to any such force majeure event, it is agreed that, upon the affected Party's giving notice and a description of such delay in reasonable detail in writing to the other Party as soon as reasonably possible after the occurrence of the causes relied on, the obligation of the Party giving such notice, so far as it is affected by such condition or event, will be suspended and any time periods will be extended for a period equal to the period of the continuance of the event or condition.

**3. Authority to Execute Agreement.** Each Party represents that it has the full right and authority to enter into this Agreement.

**4. Governing Law.** This Agreement will be governed and construed in accordance with the laws of the State of Colorado without reference to its conflicts of laws provisions.

**5. No Third-Party Beneficiaries.** This Agreement is not intended to, and does not, create any right, benefit, responsibility or obligation that may be enforced by any non-party. Additionally, nothing in this Agreement will entitle any third party to any claims, rights or remedies of any kind.

**6. Notices.** All notices and other correspondence related to this Agreement will be in writing and will be delivered by: (i) certified mail with return receipt, (ii) hand delivery with signature or delivery receipt provided by a third party courier service (such as FedEx, UPS, etc.), (iii) fax transmission if verification of receipt is obtained, or (iv) email with return receipt, to the designated representative of the Party as indicated below. A Party may change its designated representative for notice purposes at any time by written notice to the other Party. The initial representatives of the Parties are as follows:

Firestone:      Town of Firestone  
                     151 Grant Ave  
                     P.O. Box 100

Firestone, Colorado 80520  
Attn: Town Manager  
Telephone: 303.833.3291  
Fax: 303.833.4863  
Email: [ ]

Crestone: Crestone Peak Resources LLC  
1801 California Street, Suite 2500  
Denver, Colorado 80202  
Attn: David Stewart  
720-410-8500  
Email: David.Stewart@crestonepr.com

**7. Dispute Resolution.** If either Party believes that the other Party has violated any provision of this Agreement, the Party claiming that a violation has occurred will send written notice to the other Party, identifying the violation and invoking the dispute resolution process in this Section. Upon receiving such written notice, the other Party will have thirty (30) calendar days to remedy the alleged violation, unless such violation involves operations at a well pad site, in which case the time period will be ten (10) days. If the other Party denies the alleged violation, then the Parties will meet to resolve the alleged violation within ten (10) or thirty (30) calendar days (as the case may be) of the date of delivery of the initial written notice. If a resolution of the matter cannot be achieved at the meeting, both Parties agree to make a reasonable effort to work through and with a mutually acceptable mediator to attempt to resolve the dispute. Notwithstanding the foregoing, if either Party believes that the dispute will not otherwise be resolved in a sufficiently prompt and effective manner, such Party may, at its discretion, institute a legal proceeding in a court of proper jurisdiction to seek appropriate remedies. Such remedies may include, without limitation, an injunction to stop an alleged violation or an order requiring the performance of all acts and things required by the Agreement. Provided, however, that no such legal proceeding will be initiated for a period of at least thirty (30) calendar days after delivery of the initial written notice.

**11. Amendments to Agreement.** No changes, alterations or modifications to any of the provisions hereof will be effective unless contained in a written agreement signed by both Parties.

**12. Assignment.** Crestone may convey or assign its rights and obligations for any or all of the Identified Well Pads, related facilities, special use permits, and/or associated crossing permits, provided that such conveyance or assignment includes both Crestone's rights and its obligations for the subject Identified Well Pads, related facilities, special use permits, and/or crossing permits. For purposes of this paragraph, Crestone's rights include without limitation its vested development rights upon Town approval, and Crestone's obligations include without limitation its BMP obligations under Appendix A.

**13. Surface Use Agreement.** Crestone's predecessors-in-interest regarding certain lands in the N/2 of Section 18, Township 2 North, Range 67 West, Weld County, Colorado, the Firestone Finance Authority ("FFA"), and the Town entered into that certain Compatible Development and Surface Use Agreement dated September 25, 2006, which addresses Crestone's use of surface property owned by the Town. Concurrently with execution of this Agreement, Crestone, FFA, and

the Town will execute an amendment to such Compatible Development and Surface Use Agreement to address uses of Town property associated with the Identified Well Pads. This Agreement will not be effective until Crestone, FFA, and the Town execute such amendment.

*[Signature page follows.]*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by a duly authorized representative on the day and year first above written.

**FIRESTONE:**

THE TOWN OF FIRESTONE

By: Bobbi Sindelar  
Name: Bobbi Sindelar  
Title: Mayor  
Date: Dec. 12, 2018



**CRESTONE:**

CRESTONE PEAK RESOURCES LLC

By: David Stewart  
Name: David Stewart  
Title: VP Estimation and External Affairs  
Date: 12/6/18

**APPENDIX A**  
**BEST MANAGEMENT PRACTICES FOR PAD SITE LOCATIONS**

**1. Odor Mitigation.** To mitigate the effects of odor from Crestone's operations, Crestone will consult with the Town regarding the selection and implementation of appropriate mitigation measures. These mitigation measures may include the following:

- A. Erect walls around the Identified Well Pads to limit air flow through the well sites during the drilling and completion of wells. These walls will have a minimum height of thirty-two (32) feet, and Crestone will consult with Firestone regarding whether the walls should have a height of more than thirty-two (32) feet at the Johnson, Kugel, and Sheley well pad sites;
- B. Add odor-suppression liquid to its drilling mud to neutralize odors;
- C. Install a chiller to cool the drilling fluid as it is piped through the recirculation system before routing to the suction tanks;
- D. Enclose the suction tank and shaker tanks;
- E. Continue to evaluate different additive formulations that have the potential to better suppress odors, including but not limited to non-diesel based additives;
- F. During flowback and well completions, utilize closed-loop green completion techniques to the maximum extent practicable to minimize emissions and the flaring of natural gas; and
- G. In order to reduce airflow and evaporation, cover trucks transporting drill cuttings, cover the drilling fluid mixing tanks, use a squeegee to remove drilling fluids from pipes as they exit the wellbore, and ensure that all drilling fluid is removed from pipes before storage.

**2. Noise Mitigation.** To reduce the noise effects on the Town and its residents during drilling, and to provide cost benefits to Crestone, all permanent equipment with engines or motors that can be electrified will be electrified from the power grid, except that operations pertaining to the Bighorn well pad will not be subject to this requirement if electricity from the power grid is not available at the site. If electricity from the power grid is unavailable at the Bighorn well pad, Crestone will use quiet design mufflers (also referred to as hospital grade or dual dissipative) or equivalent, or acoustically insulated housing or covers to enclose the motor or engine at the Bighorn well pad site. Additionally,

- A. Crestone agrees to use the Liberty Quiet Fleet or comparable technology from an alternative vendor on all well sites for completion operations;

- B. Crestone will install sound walls on all four sides of the Identified Well Pads during the drilling and completion at a minimum height as set forth in BMP 1.A; and
- C. Crestone will develop and implement in consultation with the Town a Noise Mitigation and Monitoring Plan that provides for continuous monitoring and modeling from four (4) sides of the facility at least 350 feet from the sound wall where possible provided that approval from surrounding surface owners can be obtained. The plan should identify site-specific noise mitigation techniques such as dirt moving to attenuate noise, and source-based noise mitigation. Crestone will share all information and reports from such monitoring and modeling with the Town.

**3. Lighting.** Crestone will install down cast lighting or some other form of lighting that mitigates light pollution and spill-over onto adjacent properties; provided, however, that Crestone may still use lighting that is necessary for public and occupational safety.

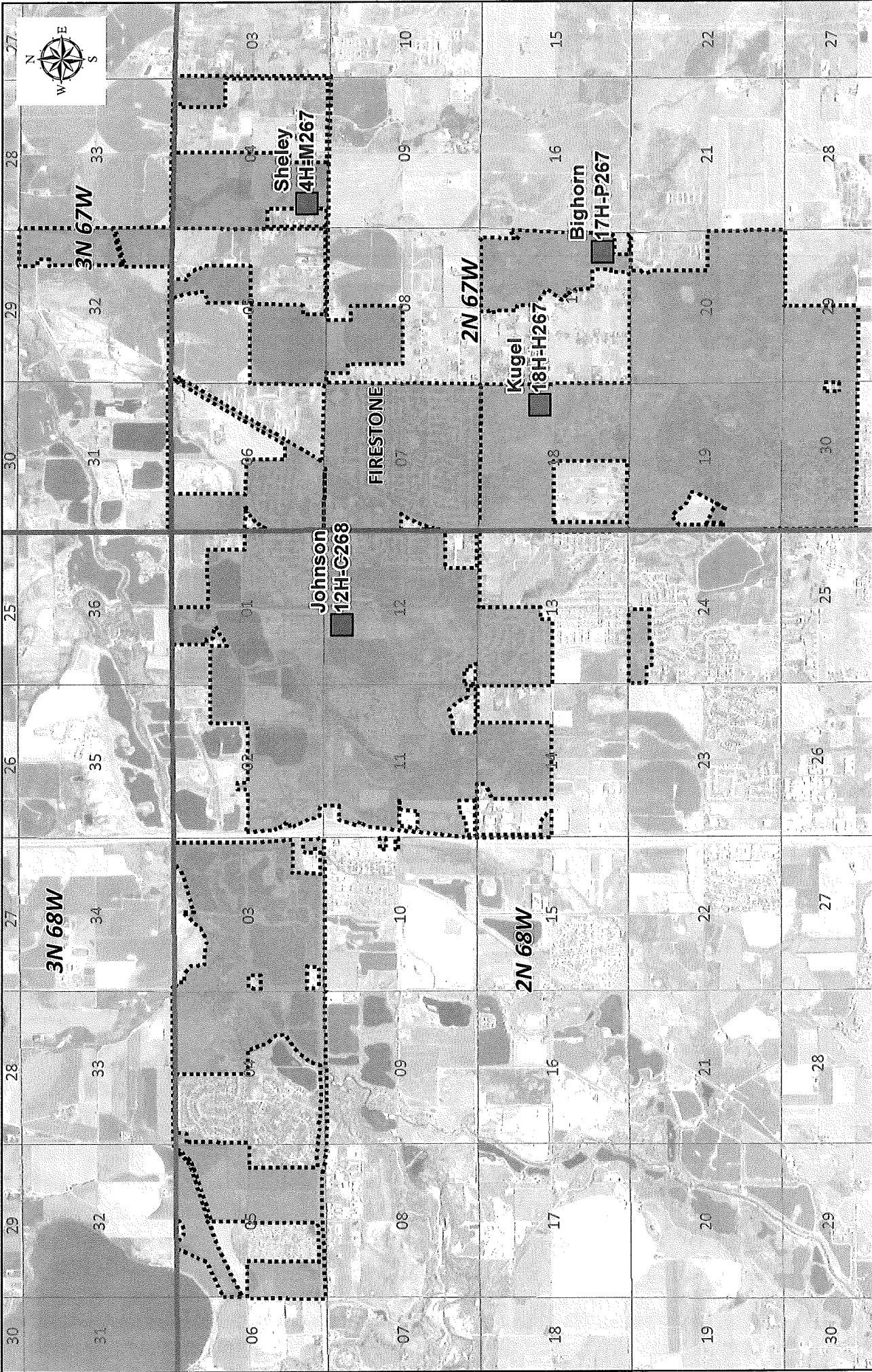
**4. Road Repairs.** The Parties recognize that truck traffic accessing the Identified Well Pads may cause damage to Firestone roads and that road repairs may be needed to mitigate such damage. Crestone will arrange for a qualified outside consultant to perform a road impact study for all Firestone roads that are used to access an Identified Well Pad during the Term. The consultant will conduct the first part of the study prior to Crestone's drilling and completions phase of operations at such Identified Well Pad and the second part of the study after Crestone completes all drilling and completions at such Identified Well Pad. The Parties will use these studies to determine the extent of any damage accruing to the road during the study period. Crestone will then promptly pay Firestone to repair such damage or else arrange and pay the cost of such repairs itself based on Firestone's preference.

**5. Drilling Pipe and other Large Tubulars Loading.** Crestone will not load large tubulars between 7:00 pm and 7:00 am Mountain Time.

**6. Kugel Landscape Restoration.** Crestone will consult with the Town to reduce the Kugel well pad footprint to the extent practicable and to mitigate potential visual effects of the Kugel pad site. A payment for landscaping at the Kugel pad site will be negotiated with and approved by the Town as part of the associated special use permit.

**APPENDIX B**  
**COOPERATIVE DEVELOPMENT AREA MAP**

[See attached.]



## Cooperative Development Area Map

Weld County, Colorado

### Legend

-  Crestone Locations
-  Township (PLSS)
-  Town of Firestone
-  Section (PLSS)



**APPENDIX C**  
**URBAN GROWTH BOUNDARY**

[See attached.]

# FIRESTONE BOUNDARY EXHIBIT



## LEGEND



TOWN GROWTH PLANNING BOUNDARY  
(Area=47.1 square miles)



JAN. 2016 TOWN LIMITS  
(Area=14.2 square miles)



**APPENDIX D**  
**RIGHT OF WAY PRICING**

[See attached.]



## Right-of-way Pricing

### Summary:

This pricing will be used as a minimum charge for all rights-of-way delegated to staff for review and approval. The new pricing practices accomplish the following:

1. The pricing procedures align with the objective stated in Right-of-way Policy #400-001. That is, *"To accommodate rights-of-way on state trust lands in a manner that minimizes encumbrances while preserving long-term real estate value, protecting natural values, allowing multiple uses and achieving appropriate market based returns"*.
2. The right-of-way pricing differentiates between uses that have different impacts on the land.
3. The right-of-way pricing encourages applicants to request the narrowest right-of-way possible to accommodate the desired use.
4. The right-of-way pricing charges for rights-of-way that cross virgin land.

### Right-of-way Pricing:

The Colorado State Land Board's (SLB) approach to pricing rights-of-way on state trust land uses a three step process.

1. Determines a value for the proposed right-of-way based on a fixed-value per measure of length using Table 1 below. The standard measure of length used to describe a right-of-way is the rod. A rod is 16.5 feet in length.
2. Calculate the value of the right-of-way based on the estimated market value of the property that will be encumbered.
3. Factor in any other variables unique to the trust land being encumbered. Use the greater of the two values as the consideration charge.
4. The minimum consideration for any right of way is \$5,000.

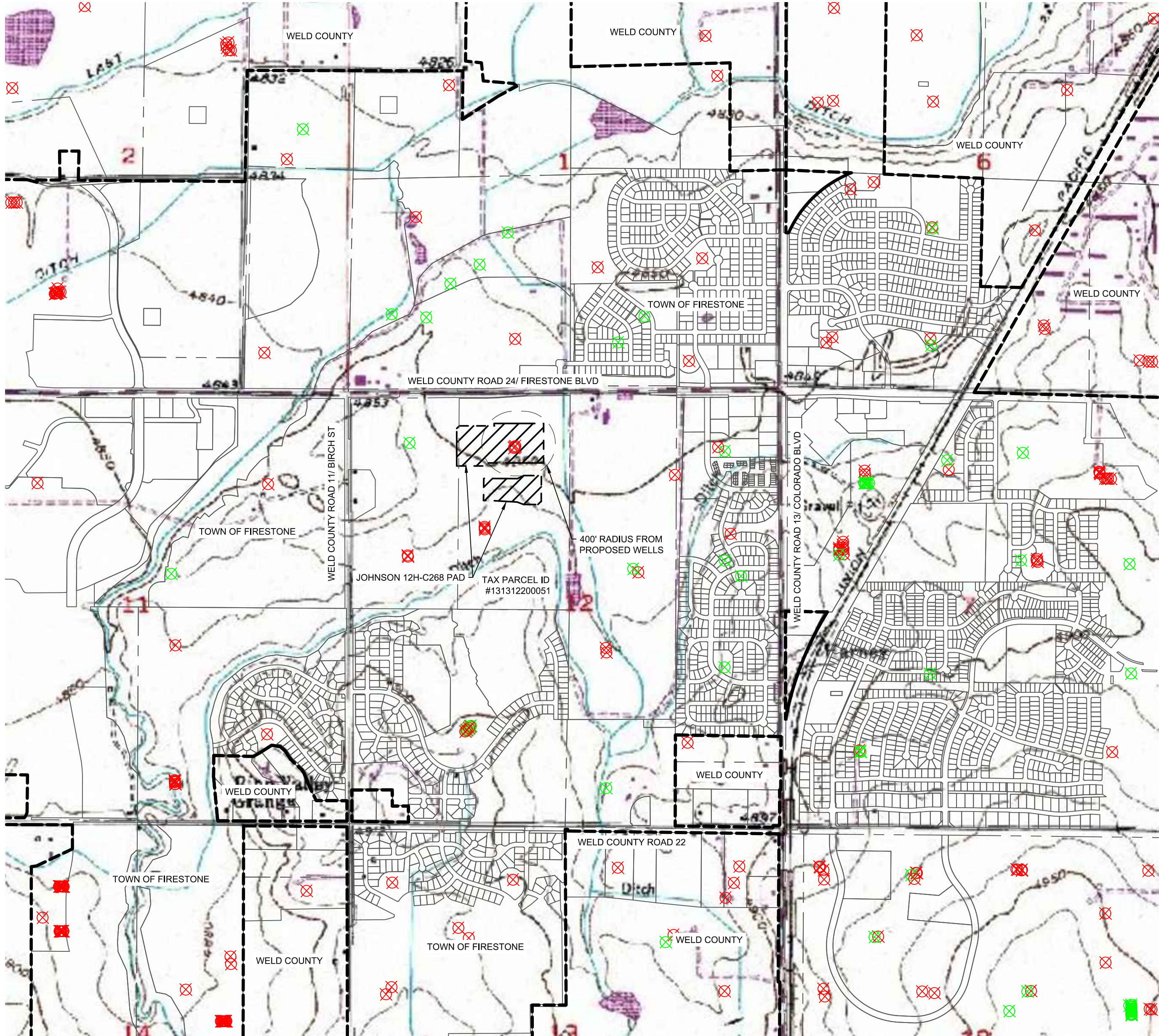
**Table 1: ROW Pricing**

| Proposed Use                                                        | ROW Width in Feet and Consideration Charge per Rod |          |          |          |          |          |          |                |
|---------------------------------------------------------------------|----------------------------------------------------|----------|----------|----------|----------|----------|----------|----------------|
|                                                                     | 0 to 20                                            | 21 to 25 | 26 to 30 | 31 to 35 | 36 to 40 | 41 to 45 | 46 to 50 | Over 50        |
| Underground Installations                                           | \$ 34.00                                           | \$ 42.50 | \$ 51.00 | \$ 59.50 | \$ 68.00 | \$ 76.50 | \$ 85.00 | Board Decision |
| Private Roads, Ditches and Canals                                   | \$ 36.00                                           | \$ 45.00 | \$ 54.00 | \$ 63.00 | \$ 72.00 | \$ 81.00 | \$ 90.00 | Board Decision |
| Public Roads, railroads, reservoirs                                 | Board Decision                                     |          |          |          |          |          |          |                |
| Electric Power Transmission Lines with capacity of 230 Kv or less   | \$ 38.00                                           | \$ 47.50 | \$ 57.00 | \$ 66.50 | \$ 76.00 | \$ 85.50 | \$ 95.00 | Board Decision |
| Electric Power Transmission Lines with capacity greater than 230 Kv | Board Decision                                     |          |          |          |          |          |          |                |

JOHNSON 12H-C268 PAD  
SPECIAL USE PERMIT

GENERAL NOTES:

1. ACCORDING TO COLORADO LAW YOU MUST COMMENCE ANY LEGAL ACTION BASED UPON ANY DEFECT IN THIS SURVEY WITHIN THREE YEARS AFTER YOU FIRST DISCOVER SUCH DEFECT. IN NO EVENT, MAY ANY ACTION BASED UPON ANY DEFECT IN THIS SURVEY BE COMMENCED MORE THAN TEN YEARS FROM THE DATE OF THE CERTIFICATION SHOWN HEREON.
2. BASIS OF BEARINGS: THE WEST LINE OF THE NORTHWEST ¼ OF SECTION 12, TOWNSHIP 2 NORTH, RANGE 68 WEST, ASSUMED TO BEAR N 00°08'04" W, BETWEEN A FOUND 2.5" ALUMINUM CAP, PLS 22576, 2006 AT THE WEST ¼ AND A FOUND 2.5" ALUMINUM CAP, ILLEGIBLE AT THE NORTHWEST CORNER OF SAID SECTION 12.
3. THIS IS NOT A MONUMENTED LAND SURVEY.
4. NO TITLE INFORMATION PROVIDED AT THE TIME OF THIS SURVEY. IT IS POSSIBLE THERE ARE RECORDED AND UNRECORDED DOCUMENTS WHICH MAY AFFECT THIS PROPERTY.
5. NO WETLANDS DETERMINATIONS WERE MADE THIS DATE.
6. NO IMPROVEMENTS, OTHER THAN THOSE SHOWN, WERE LOCATED THIS DATE.
7. ALL WORK WITHIN THE PUBLIC RIGHT-OF-WAY, OR EASEMENT SHALL CONFORM TO THE TOWN OF FIRESTONE CONSTRUCTION STANDARDS AND SPECIFICATIONS.
8. THE VEGETATIVE COVER WITHIN 400 FEET OF THE PROPOSED WELLS IS NATIVE GRASSES.
9. THE SITE FENCING SHALL COMPLY WITH MUNICIPAL CODE CHAPTER 15.40.
10. CRESTONE PEAK RESOURCES IS RESPONSIBLE FOR OBTAINING ALL REQUIRES PERMITS PRIOR TO COMMENCEMENT OF ANY WORK ON THE PROJECT. CALL UTILITY NOTIFICATION CENTER OF COLORADO AT 1-800-922-1987 FOR UTILITY LOCATES AT LEAST 48 HOURS PRIOR TO ANY EXCAVATION WORK.
11. IT IS THE RESPONSIBILITY OF THE DEVELOPER DURING CONSTRUCTION ACTIVITIES TO RESOLVE CONSTRUCTION PROBLEMS DUE TO CHANGED CONDITIONS, OR DESIGN ERRORS ENCOUNTERED BY THE CONTRACTOR DURING THE PROGRESS OF ANY PORTION OF THE PROJECT. IF, IN THE OPINION OF THE TOWN, THE MODIFICATIONS PROPOSED BY THE DEVELOPER, TO THE ACCEPTED PLANS, INVOLVE SIGNIFICANT CHANGES TO THE CHARACTER OF THE WORK OR TO THE FUTURE CONTIGUOUS PUBLIC OR PRIVATE IMPROVEMENTS, THE DEVELOPER SHALL BE RESPONSIBLE FOR RESUBMITTING THE REVISED PLANS TO THE TOWN OF FIRESTONE FOR ACCEPTANCE PRIOR TO ANY FURTHER CONSTRUCTION RELATED TO THAT PORTION OF THE PROJECT. ANY IMPROVEMENTS NOT CONSTRUCTED IN ACCORDANCE WITH THE ACCEPTED PLANS, OR THE ACCEPTED REVISED PLANS, SHALL BE REMOVED AND RECONSTRUCTED ACCORDING TO THE APPROVED PLAN.
12. AREAS OF DISTURBANCE FOR THE SITE SHALL BE RESEEDDED WITH NATIVE SEED MIX.
13. TANKS, FACILITIES AND STEEL RIMMED BERMS SHALL BE PAINTED PER APPROVED TOWN PAINT COLOR.
14. THE GENERAL APPEARANCE OF THE CRESTONE PEAK RESOURCES SITE AND FACILITY MAINTENANCE SHALL BE MANAGED AS PER TOWN AND STATE REQUIREMENTS FOR OIL AND GAS OPERATIONS. THE OPERATOR SHALL ROUTINELY RE-PAINT THE SURFACE FACILITIES, TO ELIMINATE RUST AND SPILL SPOTS ON THE SURFACE FACILITIES.
15. THE PROPOSED WELL FACILITY PAD SHALL BE CONSTRUCTED WITH ROAD BASE MATERIAL WHICH IS RESISTANT TO EROSION AND DEGRADATION AND CONFORM TO THE TOWN OF FIRESTONE CONSTRUCTION STANDARDS AND SPECIFICATIONS.
16. THE PROPOSED WELL AND FACILITY ACCESS ROADS SHALL COMPLY WITH MUNICIPAL CODE CHAPTER 15.48.170.



VICINITY MAP  
SCALE: 1" = 1000'

LEGEND

- ⊗ = COGCC WELLS (EXISTING)
- ⊗ = COGCC WELLS (NOT EXISTING)

SHEET INDEX:

- S1 - COVER SHEET
- S2 - SITE PLAN
- S3 - DETAILS

CONTACTS:

- PROPERTY OWNER: 610 SOUTH MAIN LLC  
C/O ISAAC MORADI  
9301 WILSHIRE BLVD STE 315  
BEVERLY HILLS, CA 90210
- APPLICANT/OPERATOR: CRESTONE PEAK RESOURCES  
1801 CALIFORNIA ST, SUITE 2500  
DENVER, CO 80202
- CONSULTANT: ASCENT GEOMATICS SOLUTIONS  
8620 WOLFF COURT  
WESTMINSTER, CO 80031  
(303) 928-7128

PREPARED BY:



Ascent Geomatics Solutions  
8620 Wolff Court  
Westminster, CO 80031

PREPARED FOR:



CRESTONE PEAK RESOURCES  
1801 CALIFORNIA ST  
SUITE 2500  
DENVER CO 80202

SHEET NAME:

COVER SHEET

SURFACE LOCATION:  
SECTION 12, TOWNSHIP 2 NORTH, RANGE 68 WEST  
OF THE 6TH EDITION OF THE 1983 EDITION  
WELD COUNTY, COLORADO

INT.

REVISION DESCRIPTION

DATE:

NO.

FIELD DATE:

07-17-2018

DRAWING DATE:

09-10-2018

DRAFTED BY:

JDG

SHEET NO.

S1

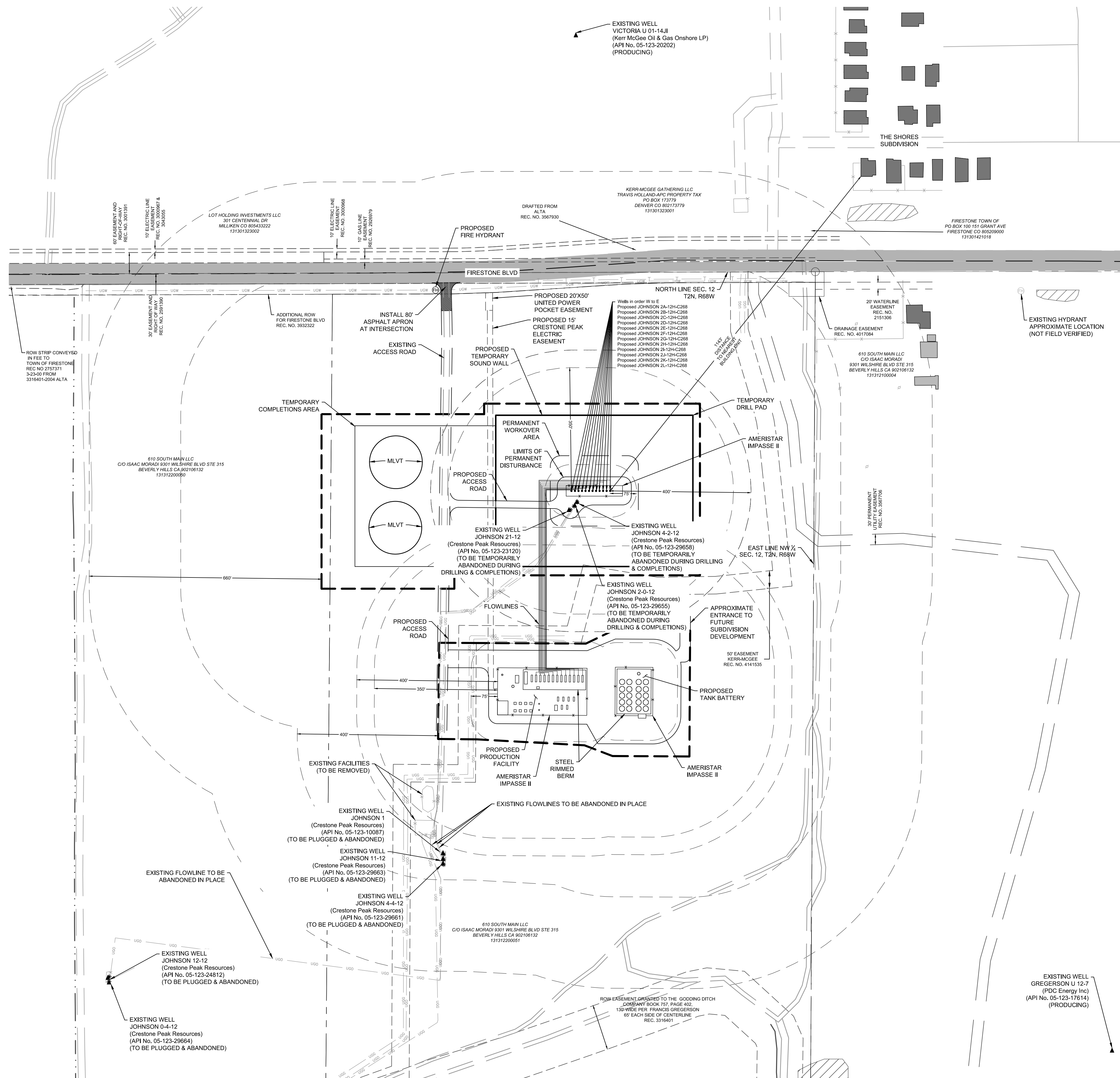
NOTE: ASCENT GEOMATICS SOLUTIONS WAS NOT PROVIDED A TITLE REPORT FOR THIS SITE. ALL RECORDED DOCUMENTS REFERENCED ON THESE PLANS WERE DOWNLOADED FROM RESEARCH VIA THE WELD COUNTY CLERK AND RECORDER. ASCENT GEOMATICS SOLUTIONS MAKES NOT GUARANTY OR WARRANTY, EITHER EXPRESSED OR IMPLIED, TO THE COMPLETENESS OF ENCUMBRANCES TO THE SUBJECT PROPERTY.

This plot does not represent a monumented land survey and should not be relied upon to determine boundary lines, property ownership or other property interests. Parcel lines, if depicted have not been field verified and may be based upon publicly available data that also has not been independently verified.

DATA SOURCES:  
2019 MAP USES  
PARCELS: WELD COUNTY ASSESSOR  
MUNICIPAL BOUNDARY: US Census Bureau

PUBLICLY AVAILABLE DATA SOURCES  
HAVE NOT BEEN INDEPENDENTLY  
VERIFIED BY ASCENT

# JOHNSON 12H-C268 PAD SPECIAL USE PERMIT



Please note that the size & elevation of the proposed equipment is approximate and the actual orientation of the equipment inside the fencing is subject to change.

NOTE: ASCENT GEOMATICS SOLUTIONS WAS NOT PROVIDED A TITLE REPORT FOR THIS SITE. ALL RECORDED DOCUMENTS REFERENCED ON THESE PLANS WERE DOWNLOADED FROM RESEARCH VIA THE WELD COUNTY CLERK AND RECORDER. ASCENT GEOMATICS SOLUTIONS MAKES NOT GUARANTY OR WARRANTY, EITHER EXPRESSED OR IMPLIED, TO THE COMPLETENESS OF ENCUMBRANCES TO THE SUBJECT PROPERTY.

This plot does not represent a monumented land survey and should not be relied upon to determine boundary lines, property ownership or other property interests. Parcel lines, if depicted have not been field verified and may be based upon publicly available data that also has not been independently verified.

DATA SOURCES:  
-PARCELS: WELD COUNTY ASSESSOR  
-WELLS: COGCC  
-MUNICIPAL BOUNDARY: US CENSUS BUREAU

PUBLICLY AVAILABLE DATA SOURCES  
HAVE NOT BEEN INDEPENDENTLY  
VERIFIED BY ASCENT.

|              |
|--------------|
| PREPARED BY: |
|--------------|



Ascent Geomatics Solutions  
8620 Wolff Court  
Westminster, CO 80031

|              |  |
|--------------|--|
| PREPARED FOR |  |
|--------------|--|



CRESTONE PEAK RESOURCES  
1801 CALIFORNIA ST  
SUITE 2500  
DENVER CO 80202

SHEET NAME:  
SITE PLAN

**SURFACE LOCATION:**  
SECTION 12, TOWNSHIP 2 NORTH, RANGE 68 WEST  
OF THE 6TH PRINCIPAL MERIDIAN  
WELD COUNTY, COLORADO

[illegible]

S2

