FILED
APR 30 2015
SECRETARY, BOARD OF
OIL, GAS & MINING

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF CRESCENT POINT ENERGY U.S. CORPORATION FOR AN ORDER ESTABLISHING THE SOUTHERN RANDLETT INCREASED WELL DENSITY DEVELOPMENT PROJECT AREA FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE EOCENE MIDDLE AND LOWER GREEN RIVER AND PORTIONS OF THE PALEOCENE WASATCH TRANSITIONAL FORMATIONS UNDERLYING THE N1/2 OF SECTION 16, THE S1/2 OF SECTION 15 AND THE NW1/4 OF SECTION 15, TOWNSHIP 4 SOUTH, RANGE 2 EAST, USM, UINTAH COUNTY, UTAU.	**FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER** **Docket No. 2015-012** **Cause No. 142-13**

This Cause came on regularly for hearing before the Utah Board of Oil, Gas and Mining (the Board") on Wednesday, March 25, 2015, at approximately 3:00 p.m. in the Auditorium of the Utah Department of Natural Resources Building in Salt Lake City, Utah. The following Board members were present at the hearing: Chairman Ruland J. Gill, Jr., Carl F. Kendall, Chris D. Hansen, Susan S. Davis, Gordon L. Moon, Michael R. Brown and Kelly L. Payne. The Board was represented by Michael S. Johnson, Assistant Attorney General.

The Division of Oil, Gas and Mining (the "Division") was represented at the hearing by Steven F. Alder, Assistant Attorney General. The Division, through Mr. Alder, filed a staff memorandum in this Cause.

The Petitioner, Crescent Point Energy U.S. Corporation ("CPE") was represented by Jack R. Luellen, of Fox Rothschild. Jordan Wells, CPE's Landman, Laura Roberts, CPE's Geologist, and Katie Mathews, CPE's Development Engineer, all testified on behalf of CPE, and each was recognized by the Board as an expert in their respective field for purposes of their testimony in this Cause.

No other party filed a response to the Request and no other party appeared or participated at the hearing.

The Board, having considered the testimony presented and the exhibits received into evidence at the hearing, being fully advised, and good cause appearing, hereby makes the following findings of fact, conclusions of law and order in this Cause.

FINDINGS OF FACT

1. Notice of the filing of CPE's Request and the hearing thereon was mailed, by first-class mail, postage pre-paid to all interested parties and was duly published in the Salt Lake Tribune and Deseret Morning News on March 1, 2015, and in the Uintah Basin Standard and the Vernal Express on March 3, 2015.

2. A copy of CPE's Request was mailed, postage pre-paid, certified with return receipt requested, to all interested parties pursuant to Utah Administrative Code Rule R641-104-135.

3. CPE is a Delaware corporation with its principal place of business in Denver, Colorado. CPE is duly qualified to conduct business in the State of Utah. CPE is fully and appropriately bonded with all relevant Federal, Indian and State of Utah agencies.

4. CPE's Request sought the establishment of a Southern Randlett Increased Well Density Development Project Area for production of oil, gas and other hydrocarbons from the Eocene Middle and Lower Green River formations, defined for purposes of this Cause as the interval between the Garden Gulch top (TGR3) and approximately 1000 feet into the Paleocene Wasatch, the stratigraphic equivalent of which is the interval between 4,888 and 7,432 feet on the log for the Crescent Point Energy Deep Creek 11-15-4-2E Well, located in the NE ¼ SW ¼ of Section 15, T4S, R2E, USM, Uintah County, Utah (API No. 43-047-5244),

(the "Subject Formations"), for the following Uintah County, Utah lands:

Township 4 South, Range 2 East, USM

Section 16: N/2

Section 15: NW/4; S/2

(collectively, the "Subject Lands").

5. The oil, gas and other hydrocarbons within the Subject Lands are subject to numerous oil and gas leases, of which CPE is a working interest owner.

6. The Subject Lands are not currently subject to any order of the Board establishing drilling units for the Subject Formations. The Subject Lands currently are subject only to the general operational rules of the Board and the Division including the general well siting rule, Rule R649-3- 2, which provides that a vertical well may be located in the center of a quarter-quarter section with a 400 foot window of tolerance and no closer than 920 feet to another well producing in the same formation without an exception location approval.

7. In accordance with the general well siting rule, CPE has drilled approximately twenty (20) wells on the Subject Lands, which have been completed as producing oil wells from the Subject Formations.

8. At the hearing on CPE's Request, CPE was asked to, and did agree, to modify certain elements of its Request for purposes of an Order of the Board.

9. The Board voted unanimously (7-0) to approve Crescent Point's Request, as modified.

CONCLUSIONS OF LAW

1. Due and regular notice of the time, place and purpose of the hearing was given to all parties whose legally protected interests are affected by the Request in the form and manner and within the time required by law and the rules and regulations of the Board and the Division.

2. Due and regular notice of the filing of the Request for given to all parties whose legally protected interests are affected by the Request in the form and manner and within the time required by law and the rules and regulations of the Board and the Division.

3. The Board has jurisdiction over all matters covered by the Request and all interested parties herein, and has the power and authority to render the order herein set forth pursuant to Utah Code Ann. § § 40-6-5(3)(b) and 40-6-6.

4. CPE's proposed drilling plan based upon a 40-acre, five-spot, resulting in the drilling of the seven interior and two lease line wells described in the Request are reasonable and satisfy the purposes of the well location and siting rules with respect to the operations proposed in the Request.

5. CPE has sustained its burden of proof, demonstrated good cause and satisfied all legal requirements for granting of the Request.

ORDER

Based upon the Request, the testimony and evidence submitted and entered at the March 25, 2015 hearing, and the findings of fact and conclusions of law as stated above, it is therefore ordered that:

1. CPE's Request is granted with the modifications outlined below.

2. This Order, along with the findings of fact and conclusions of law set forth herein, does not constitute precedent of the Board for purposes of any other Cause, and is specific to the facts and circumstances of this matter.

3. The Southern Randlett Increased Well Density Development Project Area is established for the production of oil, gas and hydrocarbons from the Eocene Middle and Lower Green River formations from the Subject Lands with the special drilling units established due to the Green River and Uintah Special Meridian.

4. The 40-acre five-spot production pattern as shown in the Exhibits to the Request is established for the project area, as approved by this Order, and satisfies the purposes of the general well location and siting rules, Utah Admin. Code Rules R649-3-2 and R649-3-3 affecting the Subject Lands and Subject Formations.

5. No future well shall be located closer than 460 feet from the boundary of the Southern Randlett Increased Well Density Development Project Area without administrative approval from the Division in accordance with the well exception location requirements of Utah Admin. Code Rule R649-3-3. Interior wells shall be located at least 460 feet from all other wells.

6. No exception location letters are needed for all interior wells located in the center of the five-spot pattern, as shown in Exhibits, with common mineral ownership, so long as the

productive interval of the wellbore is located at least 460 feet from all other wells, with the caveat that, if an uphole completion closer than the set back is subsequently proposed, an exception location approval in accordance with Utah Admin. Code Rule R649-3-3 (or subsequently enacted equivalent regulation) will be required;

7. Pursuant to Utah Administrative Code R641 and Utah Code Ann. § 63G-4-204 to 308, the Board has considered and decided this matter as a formal adjudication.

8. This Order is based exclusively on evidence of record in the adjudicative proceeding or on facts officially noted, and constitutes the signed written order stating the Board's decision and the reasons for the decision, all as required by the Administrative Procedures Act, Utah Code Ann. § 63G-4-208 and Utah Administrative Code Rule R641-109.

9. Notice re: Right to Seek Judicial Review by the Utah Supreme Court or to Request Board Reconsideration: As required by Utah Code Ann. §63G-4-208(1)(e) - (g), the Board hereby notifies all parties in interest that they have the right to seek judicial review of this final Board Order in this formal adjudication by filing a timely appeal with the Utah Supreme Court within 30 days after the date that this Order issued. Utah Code Ann. §§63G-4-401(3)(a) and 403. As an alternative to seeking immediate judicial review, and not as a prerequisite to seeking judicial review, the Board also hereby notifies parties that they may elect to request that the Board reconsider this Order, which constitutes a final agency action of the Board. Utah Code Ann. §63G-4-302, entitled, "Agency Review — Reconsideration," states:

> (1)(a) Within 20 days after the date that an order is issued for which review by the agency or by a superior agency under Section 63G-4-301 is unavailable, and if the order would otherwise constitute final agency action, any party may file a written

request for reconsideration with the agency, stating the specific grounds upon which relief is requested.

(b) Unless otherwise provided by statute, the filing of the request is not a prerequisite for seeking judicial review of the order.

(2) The request for reconsideration shall be filed with the agency and one copy shall be sent by mail to each party by the person making the request.

(3)(a) The agency head, or a person designated for that purpose, shall issue a written order granting the request or denying the request.

(b) If the agency head or the person designated for that purpose does not issue an order within 20 days after the filing of the request, the request for reconsideration shall be considered to be denied.

Id. The Board also hereby notifies the parties that Utah Admin. Code Rule R641-110-100, which is part of a group of Board rules entitled, "Rehearing and Modification of Existing Orders," states:

> Any person affected by a final order or decision of the Board may file a petition for rehearing. Unless otherwise provided, a petition for rehearing must be filed no later than the 10th day of the month following the date of signing of the final order or decision for which the rehearing is sought. A copy of such petition will be served on each other party to the proceeding no later than the 15th day of the month.

Id. *See* Utah Admin. Code Rule R641-110-200 for the required contents of a petition for Rehearing. If there is any conflict between the deadline in Utah Code Ann. §63G-4-302 and the deadline in Utah Admin. Code Rule R641-110-100 for moving to rehear this matter, the Board hereby rules that the later of the two deadlines shall be available to any party moving to rehear this matter. If the Board later denies a timely petition for rehearing, the party may still seek judicial review of the Order by perfecting a timely appeal with the Utah Supreme Court within 30 days thereafter.

10. The Board retains continuing jurisdiction over all the parties and over the subject matter of this Cause, except to the extent said jurisdiction may be divested by the filing of a timely appeal to seek judicial review of this Order by the Utah Supreme Court.

11. For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

ISSUED this 30th day of April, 2015.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING

By: _____
Ruland J. Gill, Jr., Chairman

CERTIFICATE OF SERVICE

I hereby certify that on this 4th day of May, 2015, I caused a true and correct copy of the foregoing FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER for Docket No. 2015-012, Cause No. 142-13, to be mailed by Email or via First Class Mail with postage prepaid, to the following:

Fox Rothschild LLP
Jack R. Luellen
Brent D. Chicken
1225 17th Street, Suite 2200
Denver, CO 80202

Crescent Point Energy U.S. Corporation
555 17th Street
Suite 1800
Denver, CO 80202

Steven F. Alder, Esq.
Assistant Attorney General
1594 West North Temple #300
Salt Lake City, Utah 84116
[Via Email]

Michael S. Johnson
Assistant Attorney General
1594 West North Temple #300
Salt Lake City, Utah 84116
[Via Email]

C. Joy Reist
2532 Saint Francis Dr.
Palo Alto, CA 94303
[Undeliverable]

Illela McKinlay
1207 South 5th West
Rexburg, ID 83440-5091
[Address updated 3/12/2015]

Carlyn Mitas
33500 SE Stevens Rd
Corbelt, OR 97019

Emma Jean Murray
218 West Rangely Ave
Rangely, CO 81648

Chalise S. Abelhouzen
3155 South Hidden Valley #242
Saint George, UT 84790

Argo Energy Partners Ltd.
PO Box 1808
Corsicana, TX 75151

Constance Joy Reist
2352 Saint Francis Dr.
Palo Alto, CA 94303

Gary K. Reist
1120 Santa Rufina Ct.
Solano Beach, CA 92075

Covey Minerals, Inc.
4650 S. Highland Dr. #308
Salt Lake City, UT 84117
[Undeliverable]

DCP Investments, LLC
1365 Ambassador Way
Salt Lake City, UT 84108

Diana Lynn Wilson
PO Box 624
Huntington, UT 84528

Douglas and Christine Newson
11607 Roselawn Way
South Jordan, UT 84095

Douglas and Christine Newson
7630 Gracemoor Ct.
Las Vegas, NV 89149

Dusty Sanderson
6405 Kingsbury
Amarillo, TX 79109
[Undeliverable]

Eliason Eight LLC
4349 Lynne Lane
Salt Lake City, UT 84124

Estate of George O. Massey, Jr.
c/o Margee Allan
373 N. 400 E.
Springville, UT 84663

Ferrel A. Massey
c/o Lanore K. Whiting
1787 South 40 West
Prem, UT 84058

Loretta E. Oborn
212 Baldwin
Rosewell, CA 95678

Michael F.D. Massey
162 North 130 East
Orem, UT 84057

Jess C. Cheney
7923 Danish Ridge Way
Salt Lake City, UT 84121

EP Energy
E&P Company, LP
PO Box 4660
Houston, TX 77210

Ralph Paul Olson
40 North 500 East
Pleasant Grove, UT 84057

Ashby Family Trust
c/o Kenny Ashby
1 Northridge Way
Sandy, UT 84092

University of Utah
c/o William S. Nicholson, CPA
300 East 4500 South
Salt Lake City, UT 84107

Ferrel A. Massey
c/o Sherwin Basil Massey
953 South 930 West
Payson, UT 84651

Valda Massey
3079 West 500 South
Vernal, UT 84078

Larraine M. Nelson
2036 W. 1600 N.
Provo, UT 84604

Nicole Massey Bancroft
30 N. 1100 W.
Vernal, UT 84078

Finley Resources Inc.
1308 Lake Street
Fort Worth, TX 76102

Frances C. Loos, Mary C. Brinkerhoff and
Patricia C. Gilson
2142 Eastwood
Ogden, UT 84403

Gordon A McKinley
4141 East 550 North
Rigby, ID 83442

Hall Family Living Trust
20 North Mountain Road
Fruit Heights, UT 84037

Harry Carleson
6545 Canyon Ranch Road
Salt Lake City, UT 84121

J. Barry Hall and Donna Hall
11607 Roselawn Way
South Jordan, UT 84095

Janet Christensen
25 Briarglen
Aliso Viejo, CA 92656

Joy Peterson
393 North 3400 East
Lewisville, ID 83431

Julian A. Massey, Jr.
1749 North 1500 West
Vernal, UT 84078

Valda Massey, Heir
(Rahnena Caldwell)
3070 West 500 South
Vernal, UT 84078

Ute Energy Upstream Holdings, LLC
Crescent Point Energy
555 17th Street
Denver, CO 80202

David Christian Pierson
13757 Aspen Leave Lane
Ease Vale, CA 92880
[Undeliverable]

Sherry L. Miller
1207 South 5th West
Rexburg, ID 83440

Harry E. Carleson
535 South Main Street
Salt Lake City, UT 84111
[Undeliverable]

Norman Kendall
c/o Gary K. Reist
1120 Santa Rufina Ct.
Solana Beach, CA 92075

Howard Rex
Howard Rex Carrol, Trustee
1030 South 850 West
Vernal, UT 84078

Shane Pierson
4359 Sawgrass Court
Chino Hills, CA 91709

H. Craig & Robyn Hall
11607 Roselawn Way
Salt Lake City, UT 84095

Julie Massey Deppe
PO Box 11
Jensen, UT 84035-0011
[Address updated 4/10/2015]

Kathy Lynn & Michael Craig Laris
397 South 1000 East
Vernal, UT 84078

Kera K. Townsend
2700 F Street
Sacramento, CA 95816

Kerr McGee Corp
c/o Anadarko Petroleum Corporation
1099 18th Street, Suite 1800
Denver, CO 80202

Lola Tamson
Lola Tamson Carroll, Trustee
1030 South 850 West
Vernal, UT 84078

Lynn M. Larsen
305 E. Sherman Ave.
Salt Lake City, UT 84115
[Address updated 3/10/2015]

Mark C. Miller
3113 Carrigan Canyon Dr.
Salt Lake City, UT 84109

Michael D. Pierson
1012 Ridge Road
Lewiston, NY 14092

Olson Family Trust
c/o Boyd-Kenneith Olson, Trustee
2412 North Rose
Mesa, AZ 85213

Daniel S. & Penny B. Sam
1104 West 1700 South
Vernal, UT 84078

Nolan G. Massey
542 East 1st North
St Anthony, ID 83445-1606
[Address updated 3/6/2015]

Tina R. Hymas
542 East 1st North
St Anthony, ID 83445-1606
[Address updated 3/6/2015]

Floyd Massey
PO Box 93
Jensen, UT 84035

Lowell Hall
20 N. Mountain Road
Fruit Heights, UT 84307

Brigham and Vera Krause
300 East 4500 South
Salt Lake City, UT 84107

Mark A. Chapman
c/o Vincent G. Romberg, Executor
PO Box 1389
Sealy, TX 77474

Adrienne Larson
c/o William S Nicholson, CPA
300 East 4500 South
Salt Lake City, UT 84107

George G. Vaught
PO Box 13557
Denver, CO 80201

Paul L. McCullis
PO Box 3248
Littleton, CO 80161

Sheryl L. Miller
1207 South 5th West
Rexburg, ID 83440

Tamara Parkinson
4986 South 2000 West #43
Rexburg, ID 83440

Thomas Edwin
Hall Testamentary Trust
c/o Glade Hale, Trustee
965 Pinnocchio Drive
Salt Lake City, UT 84116

Timothy E. Townsend
240 The Village #201
Redondo Beach, CA 90277

Diedra Massey
3079 West 500 South
Vernal, UT 84078

Laerydin Massey
3079 West 500 South
Vernal, UT 84078

Kera K. Townsend Proffitt
2700 F Street
Sacramento, CA 95816

Fawn B. Coltharp Family Living Trust
c/o Frances C Loos
2142 Eastwood
Ogden, UT 84403

James McNaugton
2354 Galaxy Way
Lake Orion, MI 48360

Jacqueline Peters
20838 144th Ave. SE
Kent, WA 98042

Patricia Ann Hartle
20 West 2nd South
Wellsville, UT 84339

Croff Oil Company
Crescent Point Energy
555 17th Street
Denver, CO 80202

Julie Ann Carter