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

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IN THE MATTER OF THE **AMENDED** APPLICATION OF EXTRACTION OIL & GAS, LLC FOR AN ORDER ESTABLISHING AN APPROXIMATE 1280-ACRE DRILLING AND SPACING UNIT AND ESTABLISHING WELL LOCATION RULES APPLICABLE TO THE DRILLING AND PRODUCING OF WELLS FROM THE CODELL FORMATION COVERING LANDS IN SECTIONS 13 AND 24, TOWNSHIP 9 NORTH, RANGE 68 WEST, 6TH P.M., WELD COUNTY, COLORADO.

Cause NO. 535

Docket NO. 1412-SP-2179

Intake NO. 37

AMENDED APPLICATION

Extraction Oil & Gas, LLC ("Applicant" or "Extraction"), by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this **Amended** Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order establishing an approximate 1280-acre drilling and spacing unit and establishing well location rules applicable to the drilling of wells and producing of oil and gas from the Codell Formation covering certain lands in Weld County, Colorado. In support of its **Amended** Application, Applicant states as follows:

1. Applicant owns leasehold interests in the following lands ("Application Lands"):

Township 9 North, Range 68 West, 6th P.M. Section 13: All Section 24: All

A reference map of the Application Lands is attached hereto.

2. Rule 318.a. provides that a well drilled in excess of 2,500 feet in depth shall be located not less than 600 feet from any lease line, and shall be located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing. The Application Lands are subject to this Rule.

3. On July 9, 2012, the Commission entered Order No. 535-177, which established two approximate 640-acre drilling and spacing units and approved up top four horizontal wells within each unit for the production of oil, gas and associated hydrocarbons

from the Codell and Niobrara Formations. Section 24, Township 9 North, Range 68 West, 6th P.M. is subject to this Order.

Lands.

4. The Codell Formation is a common source of supply under the Application

5. To promote efficient drainage of the Codell Formation within the Application Lands and to avoid waste, the Commission should vacate Order No. 535-177 only as it pertains to the Codell Formation in Section 24, Township 9 North, Range 68 West, 6th P.M. and establish an approximate 1280-acre drilling and spacing unit covering the Application Lands.

6. The above-proposed drilling and spacing unit will allow efficient drainage of the Codell Formation, will prevent waste, will not adversely affect correlative rights, and will assure the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the Codell Formation. The proposed drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in such drilling and spacing unit. Applicant further maintains that a well drilled in the above-proposed drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.

7. Applicant requests that the order authorize the drilling and completion of one (1) horizontal Codell well in the approximate 1280-acre drilling and spacing unit described above, with the option to drill and complete up to four (4) wells in the drilling and spacing unit with the surface location to be located at a legal location in the above described drilling and spacing unit or on adjacent lands. Applicant further requests that the treated interval of each wellbore be no closer than 600 feet from the treated interval of any other wellbore producing from the Codell Formation, and no closer than 300 feet from a unit boundary unless such boundary abuts or corners lands for which the Commission has not at the time of the drilling permit application granted the right to locate the treated interval of the wellbore no closer than 300 feet from a unit boundary. If the Commission has not at the time of the drilling permit application granted to the owners of the adjacent or cornering lands the right to locate the treated interval of the wellbore shall be located no closer than 300 feet from a unit boundary, then the treated interval of the wellbore shall be located no closer than the distance permitted in the adjacent or cornering lands, without exception being granted by the Director.

8. Applicant requests authority to drill only those wells necessary to determine the well density which allows the most efficient drainage of the Codell Formation, prevents waste, does not adversely affect correlative rights, and assures the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the Codell Formation. The proposed drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in such drilling and spacing unit. Applicant further maintains that wells drilled in the above-proposed drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.

9. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in <u>Amended Exhibit A</u> attached hereto and

made a part hereof, and the undersigned certifies that copies of the original **Amended** Application shall be served on each interested party as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that, upon such hearing, this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated this ____ day of November, 2014.

Respectfully submitted, WELBORN SULLIVAN MECK & TOOLEY, P.C.

By:_

Joseph C. Pierzchala Stephen J. Sullivan Welborn Sullivan Meck & Tooley, P.C. Attorneys for Applicant 1125 - 17th Street, Suite 2200 Denver, CO 80202 303-830-2500

Applicant's Address:

1888 Sherman Street, Suite 200 Denver, CO 80203

Attn: Allyson Vistica, Land Manager Phone: 720-382-5228

VERIFICATION

)) ss.

STATE OF COLORADO

CITY & COUNTY OF DENVER

Allyson Vistica, Land Manager with Extraction Oil & Gas, LLC, upon oath deposes and says that she has read the foregoing **Amended** Application and that the statements contained therein are true to the best of her knowledge, information and belief.

EXTRACTION OIL & GAS, LLC

Allyson Vistica, Land Manager

Subscribed and sworn to before me this _____ day of November, 2014 by Allyson Vistica, Land Manager for Extraction Oil & Gas, LLC.

Witness my hand and official seal.

Notary Public My Commission Expires:_____

AMENDED EXHIBIT A

INTERESTED PARTIES

Lincoln Energy, LLC 1800 Glenarm Place, Ste. 703 Denver, CO 80202

Dan S. & Deborah A. Johnson 3310 Morey Court Loveland, CO 80537

Donald P. & Pamela S. Vagge 3280 Twin Heron Ct. Fort Collins, CO 80528-9458

Walter C. Sidwell 39454 WCR 33 Ault, CO 80610

John F. & Billee J. Pelnar 1631 Streamside Dr. Fort Collins, CO 80525

Debra Ann & Zimri D. Oseland III PO Box 987 Wellington, CO 80549

Melvin Early Gardner Living Trust & Bette Marie Gardner Living Trust (Tenants in common) 4533 E. County Road 16 Loveland, CO 80537

Stewardship Ltd Liability Co. (2/3) and Patrick L. Busteed (1/3) 331 Jefferson St. Fort Collins, CO 80524

John Ripsam III and Anton Ripsam, Sr. (Tenants in common) 3801 Fox Dr. Loveland, CO 80537

Josef Reith and Inge Reith 7623 Owens St. Arvada, CO 80005 Three T Investments, LLLP PO Box 517 Eaton, CO 80615

Robert J. Tucker, Jr. & Bonnie J. Tucker 1760 N. County Road 23 Berthoud, CO 80513

Matthew & Renee L. Esposito 6988 Pelican Cove Ln. Wellington, CO 80549

Able Properties, Inc. 1502 Mathews St. Fort Collins, CO 80524

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Ann E. Lindgren & Elizabeth Wright 6610 E. County Rd. 66 Wellington, CO 80549

The estate of Blaise J. Jacobucci Address Unknown

The estate of Arthur R. Grovert Address Unknown

The estate of Hollis G. Fisher and Floretta Fay Fisher Address Unknown

Paul A. Knight and Martha S. Gutierrez 10684 N County Road 3 Wellington, CO 80549 Tim C. Hardy Anita C. Hardy 10530 No Rain Ln. Wellington, CO 80549

Mark A. and Kara A. Cutter 10522 No Rain Ln. Wellington, CO 80549

Alan Brownwood and Paula J. Stokley 16 Park Ave. Eaton, CO 80615

Melvin N. Lowe 6862 E. County Road 66 Wellington, CO 80549

Fannie Mae A/K/A Federal Mortgage Association 13455 Noel Road, Suite 600 Dallas, TX 75240

Codel D. Charvet Nathan L. Morris Goldie J. Morris 1845 Beam Reach Pl. Fort Collins, CO 80524 Christopher C. and Darcy L. Lehmann 8030 Timber Wolf Cir. Wellington, CO 80549

William M. and Susan Lynn Eaton 10100 N County Rd. 3 Wellington, CO 80549

Kent Kuster Oil & Gas Consultant Coordinator CDPHE 4300 Cherry Creek Drive South Denver, CO 80246-1500

Tom Schreiner Northeast Region Office Energy Liaison – Colorado Parks and Wildlife 6060 Broadway Denver, CO 80216

Tom Parko Weld County 1555 North 17th Street Greeley, CO 80631

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IN THE MATTER OF THE AMENDED APPLICATION OF EXTRACTION OIL & GAS. LLC FOR AN ORDER ESTABLISHING AN APPROXIMATE 1280-ACRE DRILLING AND SPACING UNIT AND ESTABLISHING WELL LOCATION RULES APPLICABLE TO THE DRILLING AND PRODUCING OF WELLS FROM THE CODELL FORMATION COVERING LANDS IN SECTIONS 13 AND 24. TOWNSHIP 9 NORTH, RANGE 68 WEST, 6TH P.M., WELD COUNTY, COLORADO.

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AMENDED AFFIDAVIT OF MAILING

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STATE OF COLORADO

CITY AND COUNTY OF DENVER

I, Joseph C. Pierzchala, of lawful age, and being first duly sworn upon my oath, state and declare:

That I am the attorney for Extraction Oil & Gas, LLC and that on or before Never 17, 2014, I caused a copy of the attached Amended Application to be deposited in the United States mail. postage prepaid, addressed to the parties on the Amended Exhibit A to the Amended Application.

Joseph C. Pierzchala

Subscribed and sworn to before me *November* 21, 2014.

Witness my hand and official seal.

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Notary Public My commission expires: 812412017