

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

IN THE MATTER OF THE PROMULGATION AND) CAUSE NO. 407
ESTABLISHMENT OF FIELD RULES TO GOVERN)
OPERATIONS FOR THE CODELL AND) DOCKET NO. 150700345
NIOBRARA FORMATIONS, WATTENBERG)
FIELD, WELD COUNTY, COLORADO) TYPE: POOLING

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

APPLICATION LANDS

Township 6 North, Range 67 West, 6th P.M.

Section 8: All

Section 9: All

APPLICATION

On June 8, 2015, Extraction Oil & Gas LLC (Operator No. 10459) ("Extraction" or "Applicant") filed a verified application pursuant to §34-60-116, C.R.S., for an order to:

- 1) Vacate the 80-acre drilling and spacing units established by Order No. 407-87 for the Application Lands;
- 2) Vacate an approximate 640-acre drilling and spacing unit established by Order No. 407-1005, for the N½ of Sections 8 and 9, Township 6 North, Range 67 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations;
- 3) Vacate an approximate 640-acre drilling and spacing unit established by Order No. 407-1006, for the S½ of Sections 8 and 9, Township 6 North, Range 67 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations;
- 4) Vacate Order No. 407-1010 which pooled all interests in the 640-acre drilling and spacing unit established for N½ of Sections 8 and 9, Township 6 North, Range 67 West, 6th P.M.;
- 5) Vacate Order No. 407-1011 which pooled all interests in the 640-acre drilling and spacing unit established for S½ of Sections 8 and 9, Township 6 North, Range 67 West, 6th P.M.;
- 6) Establish an approximate 1,280-acre drilling and spacing unit for Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations;

- 7) Approve up to 25 horizontal wells within the proposed unit;
- 8) Require the productive interval of the wellbore of any permitted wells to be located no closer than 460 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in each unit;
- 9) Pool all interests in the approximate 1,280-acre drilling and spacing unit proposed for the Application Lands, for the development and operation of the Codell and Niobrara Formations; and
- 10) Subject any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date that any of the costs specified in §34-60-116(7)(b), C.R.S., were first incurred for the drilling of the initial well within the Application Lands.

APPLICABLE RULES AND ORDERS

(available online at: <http://cogcc.state.co.us>, under "ORDERS")

- On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule.
- On February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993) which, among other things, established 80-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formations.
- Pursuant to Rule 318A., Applicant designated five approximate 640-acre horizontal wellbore spacing units, comprised of the S½N½, N½S½ of Sections 8 and 9 of the Application Lands, for the following horizontal wells: the Twell #1 Well (API No. 05-123-39679), the Twell # 2 Well (API No. 05-123-39668), the Twell #3 Well (API No. 05-123-39659), the Twell #4 Well (API No. 05-123-39678), and the Winder #12 Well (API No. 05-123-39583). Applicant maintains and confirms that each of the above referenced horizontal wells will be included within the approximate 1,280-acre drilling and spacing unit proposed herein, and that each horizontal wellbore spacing unit administratively approved for the above referenced wells shall be effectively vacated upon approval of the approximate 1,280-acre drilling and spacing unit proposed herein.
- On April 28, 2014, the Commission entered Order No. 407-1005 which, among other things, established an approximate 640-acre drilling and spacing unit for the N½ of Sections 8 and 9, Township 6 North, Range 67 West, 6th P.M., and approved up to eight horizontal wells within the unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.
- On April 28, 2014, the Commission entered Order No. 407-1006 which, among other things, established an approximate 640-acre drilling and spacing unit for the S½ of Sections 8 and 9, Township 6 North, Range 67 West, 6th P.M., and approved up to

seven horizontal wells within the unit for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

- On April 28, 2014, the Commission entered Order No. 407-1010 which, among other things, pooled all interests in the unit established by Order No. 407-1005, and subjected all non-consenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., for the drilling of the Winder #4 through #11 Wells.
- On April 28, 2014, the Commission entered Order No. 407-1011 which, among other things, pooled all interests in the unit established by Order No. 407-1006, and subjected all non-consenting interests to the cost recovery provisions of §34-60-116(7), C.R.S., for the drilling of the Twell #5 through #11 Wells

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Oil and Gas Conservation Commission of the State of Colorado under §34-60-105 C.R.S.; 2) specific powers granted pursuant to §34-60-106 C.R.S.; 3) the State Administrative Procedures Act at §24-4-105 C.R.S.; and 4) the Commission's Series 500 Rules at 2 CCR 404-1, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Monday, July 20, 2015
Tuesday, July 21, 2015

Time: 9:00 a.m.

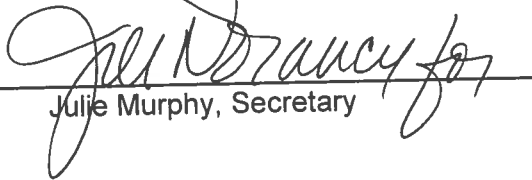
Place: Colorado Oil and Gas Conservation Commission
1120 Lincoln St., Suite 801
Denver, CO 80203

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

At hearing, the Commission will consider the Application and enter an order pursuant to its authority under the statute. Any interested party desiring to protest or intervene should file with the Commission a written protest or intervention in accordance with Rule 509., no later than July 6, 2015. Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. One electronic (cogcc.hearings_unit@state.co.us), one original and two copies shall be filed with the Commission. Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of July 6, 2015. Pursuant to Rule 511., if the matter is uncontested, it may be approved without a hearing.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By


Julie Murphy, Secretary

Dated: June 10, 2015

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