

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

IN THE MATTER OF THE APPLICATION OF
EXTRACTION OIL & GAS, LLC FOR AN ORDER TO
POOL TWELVE APPROXIMATE 160-ACRE TO 360-
ACRE DESIGNATED WELLBORE SPACING UNITS IN
SECTION 36, TOWNSHIP 5 NORTH, RANGE 68 WEST,
6TH P.M. AND SECTIONS 1 AND 2, TOWNSHIP 4
NORTH, RANGE 68 WEST, 6TH P.M., FOR THE
CODELL AND NIOBRARA FORMATIONS,
WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO.

TYPE: POOLING

APPLICATION

Extraction Oil & Gas, LLC ("Applicant"), by its attorneys, Gretchen VanderWerf, PC, applies to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to pool all interests in twelve approximate 160-acre to 360-acre designated wellbore spacing units for the drilling of the Wind #1 through #12 Wells (the "Wells"), in Section 36, Township 5 North, Range 68 West, 6th P.M. and Sections 1 and 2, Township 4 North, Range 68 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations.

In support of its application, Applicant states and alleges as follows:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado and is a registered operator in good standing with the Commission. Applicant's operator identification number is No. 10459

2. Applicant owns certain leasehold interests in the following described lands:

Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$

Township 4 North, Range 68 West, 6th P.M.
Section 1: N $\frac{1}{2}$ N $\frac{1}{2}$
Section 2: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Weld County, Colorado ("Application Lands").

3. On February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993) which established 80-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.

4. On April 27, 1998, the Commission adopted Rule 318A which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A was amended, among other things, to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A was again amended, among other things, to address drilling of

horizontal wells. The Application Lands are subject to Rule 318A for the Codell and Niobrara Formations.

5. Applicant designated the twelve horizontal wellbore spacing units, as defined below, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations and notified the appropriate parties, pursuant to Rule 318A.

6. Applicant requests an order pursuant to C.R.S. §34-60-116(6) and (7) and Rule 530, for the pooling of all interests, including but not limited to, any nonconsenting interests and leased mineral interests in the Application Lands, for the development of the Codell and Niobrara Formations, as applicable, underlying the following designated horizontal wellbore spacing units ("Wellbore Spacing Units"):

Wind #1 Well
API No. 05-123-40263
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$
Niobrara Formation
(WSU #1 – 320 acres)

Wind #2 Well
API No. 05-123-40265
Township 5 North, Range 68 West, 6th P.M.
Section 36: N $\frac{1}{2}$ S $\frac{1}{2}$
Niobrara Formation
(WSU #2 – 160 acres)

Wind #3 Well
API No. 05-123-40260
Township 5 North, Range 68 West, 6th P.M.
Section 36: N $\frac{1}{2}$ S $\frac{1}{2}$
Codell Formation
(WSU #3 – 160 acres)

Wind #4 Well
API No. 05-123-40267
Township 5 North, Range 68 West, 6th P.M.
Section 36: N $\frac{1}{2}$ S $\frac{1}{2}$
Niobrara Formation
(WSU #4 – 160 acres)

Wind #5 Well
API No. 05-123-40253
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$
Niobrara Formation
(WSU #5 – 320 acres)

Wind #6 Well
API No. 05-123-40259
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$
Codell Formation
(WSU #6 – 320 acres)

Wind #7 Well
API No. 05-123-40254
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$
Niobrara Formation
(WSU #7 – 320 acres)

Wind #8 Well
API No. 05-123-40268
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$ S $\frac{1}{2}$
Niobrara Formation
(WSU #8 – 160 acres)

Wind #9 Well
API No. 05-123-40251
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$ S $\frac{1}{2}$
Codell Formation
(WSU #9 – 160 acres)

Wind #10 Well
API No. 05-123-40270
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$ S $\frac{1}{2}$
Niobrara Formation
(WSU #10 – 160 acres)

Wind #11 Well
API No. 05-123-40261
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$ S $\frac{1}{2}$
Township 4 North, Range 68 West, 6th P.M.
Section 1: N $\frac{1}{2}$ N $\frac{1}{2}$
Section 2: NE $\frac{1}{4}$ NE $\frac{1}{4}$
Niobrara Formation
(WSU #11 – 360 acres)

Wind #12 Well
API No. 05-123-40273
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$ S $\frac{1}{2}$
Township 4 North, Range 68 West, 6th P.M.
Section 1: N $\frac{1}{2}$ N $\frac{1}{2}$
Section 2: NE $\frac{1}{4}$ NE $\frac{1}{4}$
Codell Formation
(WSU #12 – 360 acres)

7. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. §34-60-116(7)(b) are first incurred for the drilling of each of the Wells to the Codell and Niobrara Formations, as applicable, in the Wellbore Spacing Units on the Application Lands.

8. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled, including leased mineral owners, within seven (7) days of the date hereof, as required by Rule 507.b(2), and that at least thirty (30) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease or to participate in the drilling of the Wells, as applicable, and will be provided with the information required by Rule 530. The list of the interested parties is attached hereto as Exhibit A.

9. That in order to prevent waste and to protect correlative rights, all interests in each of the Wellbore Spacing Units should be pooled for the orderly development of the Codell and Niobrara Formations, as applicable.

WHEREFORE, Applicant requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

A, Pooling all interests in twelve approximate 160-acre to 360-acre Wellbore Spacing Units established on the Application Lands for the development of the Codell and Niobrara Formations, as follows:

Wind #1 Well
API No. 05-123-40263
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$
Niobrara Formation
(WSU #1 – 320 acres)

Wind #2 Well
API No. 05-123-40265
Township 5 North, Range 68 West, 6th P.M.
Section 36: N $\frac{1}{2}$ S $\frac{1}{2}$
Niobrara Formation
(WSU #2– 160 acres)

Wind #3 Well
API No. 05-123-40260
Township 5 North, Range 68 West, 6th P.M.
Section 36: N $\frac{1}{2}$ S $\frac{1}{2}$
Codell Formation
(WSU #3 – 160 acres)

Wind #4 Well
API No. 05-123-40267
Township 5 North, Range 68 West, 6th P.M.
Section 36: N $\frac{1}{2}$ S $\frac{1}{2}$
Niobrara Formation
SU #4 – 160 acres)

Wind #5 Well
API No. 05-123-40253
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$
Niobrara Formation
(WSU #5 – 320 acres)

Wind #6 Well
API No. 05-123-40259
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$
Codell Formation
(WSU #6 – 320 acres)

Wind #7 Well
API No. 05-123-40254
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$
Niobrara Formation
(WSU #7 – 320 acres)

Wind #8 Well
API No. 05-123-40268
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$ S $\frac{1}{2}$
Niobrara Formation
(WSU #8 – 160 acres)

Wind #9 Well
API No. 05-123-40251
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$ S $\frac{1}{2}$
Codell Formation
(WSU #9 – 160 acres)

Wind #10 Well
API No. 05-123-40270
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$ S $\frac{1}{2}$
Niobrara Formation
(WSU #10 – 160 acres)

Wind #11 Well
API No. 05-123-40261
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$ S $\frac{1}{2}$
Township 4 North, Range 68 West, 6 th P.M.
Section 1: N $\frac{1}{2}$ N $\frac{1}{2}$
Section 2: NE $\frac{1}{4}$ NE $\frac{1}{4}$
Niobrara Formation
(WSU #11 – 360 acres)

Wind #12 Well
API No. 05-123-40273
Township 5 North, Range 68 West, 6th P.M.
Section 36: S $\frac{1}{2}$ S $\frac{1}{2}$
Township 4 North, Range 68 West, 6th P.M.
Section 1: N $\frac{1}{2}$ N $\frac{1}{2}$
Section 2: NE $\frac{1}{4}$ NE $\frac{1}{4}$
Codell Formation
(WSU #12 – 360 acres)

B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. §34-60-116(7)(b) are first incurred for the drilling of each of the Wind #1 through #12 Wells in the Wellbore Spacing Units for the development of the Codell and Niobrara Formations, as applicable.

C. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Wells are pooled by operation of statute, pursuant to C.R.S. §34-60-116(6) and (7), and made subject to the cost recovery provisions of the statute.

D. Providing that the production obtained from the Wellbore Spacing Units shall be allocated to each owner in the unit on the basis of the proportion that the number of acres in such tract bears to the total number of mineral acres within the designated Wellbore Spacing Unit; each owner of an interest in the Wellbore Spacing Unit shall be entitled to receive its share of the production of the Well located on the Wellbore Spacing Unit, applicable to its interest in the Wellbore Spacing Unit.

E. For such other findings and orders as the Commission may deem proper or advisable in this matter.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in September 2015, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with this Application.

Dated: July 13, 2015.

Respectfully submitted,

Extraction Oil & Gas, LLC

By: *Gretchen VanderWerf*
Gretchen VanderWerf
Gretchen VanderWerf, PC
Attorneys for Applicant
1525 17th Street
Denver, Colorado 80202
Phone: 303-298-9939
gww@gvanderwerflaw.com

Applicant's Address and Contact Information:

Extraction Oil & Gas, LLC
Attn: Destenie McMillen, Senior Landman
370 17th Street
Suite 5400
Denver, Colorado 80202
Phone: 720-382-5228
dmcmillen@extractionog.com

VERIFICATION

STATE OF COLORADO)
CITY AND COUNTY OF DENVER) ss.

Destenie McMillen, of lawful age, being first duly sworn upon oath, deposes and says that she is the Senior Landman of Extraction Oil & Gas, LLC, and that she has read the foregoing Application and that the matters therein contained are true to the best of her knowledge, information and belief.

By: *Destenie McMillen*
Destenie McMillen

Subscribed and sworn to before me this 08 day of July, 2015.

Witness my hand and official seal.

My commission expires: 1/21/18

(SEAL)

JESSE NICOLE SCHMIDT
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20144002537
MY COMMISSION EXPIRES JANUARY 21, 2018

Jesse Schmidt
Notary Public

EXHIBIT A

INTERESTED PARTIES

State of Colorado, State Board of Land Commissioners 1127 Sherman St. #300 Denver, CO 80203	D & B Cito Trust, dated September 17, 2002, Donald A. Cito and Bonnie B. Cito, Trustees 5050 Weld County Rd. 50 Loveland, CO 80534	Victor Solanyk, Jr. and Gina Lee Solanyk 5464 Weld County Rd. 50 Loveland, CO 80534
John A. Cito and Julie A. Cito 5420 Weld County Rd. 50 Loveland, CO 80534	Vaughn Jacob Cito 5194 Weld County Rd. 50 Johnstown, CO 80534	A&H Farms, LLC 23927 Weld County Rd. 13 Johnstown, CO 80534
Janet Louaine Liniger and John William Liniger 23927 Weld County Rd. 13 Johnstown, CO 80534	LSC Holdings, LLC 12460 1st Street, PO Box 247 Eastlake, CO 80614	Cody Ray Blake #12 CR 3308 Aztec, NM 87410
Denise Jones 1075 Lincoln Street Craig, CO 81625	Steven M. Martin 1182 School Street Craig, CO 81625	Sandra L. Owens 29588 CR 18 Holyoke, CO 80734
Gary D. Stoner 4998 Weld County Rd. 50 Johnstown, CO 80534	Sandy M. Heil 4998 Weld County Rd. 50 Johnstown, CO 80534	Jeffrey Phillip Garcia and Debra Lynn Garcia 4786 Weld County Rd. 50 Johnstown CO, 80534
Patricia A. Jansma and Kandace A. Wulfert 4814 Weld County Rd. 50 Johnstown, CO 80534	Tekton Energy, LLC 200 Plaza Drive, Suite 101 Highlands Ranch, CO 80129	Noble Energy, Inc. 1625 Broadway, Suite 2200 Denver, CO 80202
Kerr-McGee Oil & Gas Onshore, LP 1099 18th St., Suite 600 Denver, CO 80202	Magpie Operating, Inc. 2707 S County Rd 11 Loveland, CO 80537	Blue Dunn, LLC, a subsidiary of Noble Royalties, Inc. 13601 Preston Road, Suite 1008W Dallas, TX 75240 (2005 Address)

Blue Dunn, LLC, a subsidiary
of Noble Royalties, Inc.
15303 Dallas Parkway,
Suite 1350
Addison, TX 75001

Troy Swain
(LGD Notification)
Weld County
P.O. Box 758
Greeley, CO 80631

