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

IN THE MATTER OF AN APPLICATION BY EXTRACTION OIL & GAS LLC FOR AN ORDER POOLING ALL INTERESTS IN TWO APPROXIMATE 720-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNITS ESTABLISHED FOR SECTIONS 20, 21, 28, 29, 32 AND 33, TOWNSHIP 2 NORTH, RANGE 67 WEST, 6TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE CODELL AND NIOBRARA FORMATIONS, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. To be assigned

<u>APPLICATION</u>

Extraction Oil & Gas LLC, Operator No. 10459, ("Extraction" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order pooling all interests in two approximate 720-acre horizontal wellbore spacing units established for certain portions of Sections 20, 21, 28, 29, 32 and 33, Township 2 North, Range 67 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 corporation duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.
- 2. Applicant owns substantial leasehold interests in the below-listed lands:

Township 2 North, Range 67 West, 6th P.M.

Section 20: SE1/4SE1/4

Section 21: SW1/4SW1/4

Section 28: W½W½

Section 29: E½E½

Section 32: E½E½

Section 33: W½W½

Wellbore Spacing Unit ("WSU") Nos. 1 and 2 720 acres, more or less, Weld County, Colorado

These lands are hereinafter referred to as the "Application Lands" and depicted in <u>Exhibit</u> A attached hereto.

3. 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 of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A. was amended 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 to, among other things, address drilling of horizontal wells. The Application Lands are subject to Rule 318A.

- 4. Pursuant to Rule 318A., Applicant designated two approximate 720-acre horizontal wellbore spacing units, comprised of the Application Lands, for the below-described wells, for the production of oil, gas and associated hydrocarbons from the Codell or Niobrara Formations. Applicant notified all owners in the proposed wellbore spacing units pursuant to Rule 318A.e.(5). Applicant did not receive objections to the establishment of the proposed horizontal wellbore spacing units within the 30-day response period:
- a. Troudt #1 Well (API No. 05-123-41433) Niobrara Formation WSU #1; and
 - b. Troudt #2 Well (API No. 05-123-41432) Codell Formation WSU #2.

These wells are hereinafter referred to as the "Subject Wells."

- 5. Acting pursuant to the relevant provisions of §34-60-116(6) & (7), C.R.S., and Rule 530., Applicant seeks an order pooling all interests, including, but not limited to, any nonconsenting interests, in each of WSU Nos. 1 and 2 established for the Application Lands, for the development and operation of the Codell and Niobrara Formations.
- 6. 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 §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Wells within WSU Nos. 1 and 2.
- 7. Further, Applicant requests 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 each of the Subject Wells, are made subject 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 the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of each of the Subject Wells.
- 8. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §§34-60-101, *et seq.*, C.R.S., and the Commission rules.
- 9. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.
- 10. That the names and addresses of the interested parties (persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant are set forth in Exhibit B attached hereto. The Applicant shall submit a certificate of service for the Application within the seven days 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:

- A. Pooling all interests in each of WSU Nos. 1 and 2 established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, effective as of the earlier of the date of this Application, or the date that the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Wells within WSU Nos. 1 and 2.
- B. 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 each of the Subject Wells, are pooled by operation of statute, pursuant to §34-60-116(6) & (7), C.R.S., and made subject to the cost recovery provisions thereof, effective as of the earlier of the date of the Application, or the date the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of each of the Subject Wells.
- C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 21 day of August, 2015.

Respectfully submitted,

EXTRACTION OIL & GAS LLC

James Parrot

Jillian Fulcher

Beatty & Wozniak, P.C. Attorneys for Applicant

216 16th Street, Suite 1100

Denver, Colorado 80202

(303) 407-4499

jparrot@bwenergylaw.com jfulcher@bwenergylaw.com

Address of Applicant
Extraction Oil & Gas LLC
ATTN: Jason Lowrey
370 17th Street, Suite 5300
Denver, CO 80202

VERIFICATION

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

Jason Lowrey, Senior Landman for Extraction Oil & Gas LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

EXTRACTION OIL & GAS LLC

Jason Lowrey

Subscribed and sworn to before me this 25th day of August, 2015, by Jason Lowrey, Senior Landman for Extraction Oil & Gas LLC.

Witness my hand and official seal.

My commission expires: 1/21/2618

JESSE NICOLE SCHMIDT

NOTARY PUBLIC

STATE OF COLORADO

NOTARY ID 20144002537

MY COMMISSION EXPIRES JANUARY 21, 2018

Notary Public

Exhibit A

Reference Map for Pooling Application

Township 2 North, Range 67 West, 6th P.M.

Section 20: SE1/4SE1/4

Section 21: SW1/4SW1/4

Section 28: W½W½

Section 29: E½E½

Section 32: E½E½

Section 33: W1/2W1/2

24 19 20 21 2N67W 22 23 25 30 29 28 27 26 36 31 32 33 34 35 Hwy 52	13	18	17	16	15	14
36 31 32 33 34 35	24	19	20	2N6 21	57W 22	23
Hwy 52	25	30	29	28	27	26
1 6 5 Hwy 52	36	31		33	34	35
, , , , , , , , , , , , , , , , , , , ,	1	6	5	4	3	Hwy 52

EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant are set forth in this Exhibit B.

Brett R. Cary and Kathleen P. Cary 2355 County Road CC Orchard, Colorado 80649

Bryan Kugel, Trustee of the Bryan Kugel Living Trust dated August 9, 2000 16484 CR 1060 Lamont, OK 74643

Bud W. Hunziker 7037 County Road 19 Fort Lupton, CO 80621

C & M Resources LLC 16 Sunset Circle Longmont, CO 80501

Central Weld County Water District 2235 2nd Avenue Greeley, CO 80631

Charles Emerson Hamly 6012 B Curtier Drive Alexandria, VA 22310

Charles Grant P.O. Box 908 Longmont, CO 80502

Charles Stromquist 12189 Oxford Road Longmont, CO 80504

Colorado Commercial Investment Analysis Syndicate No. 3 3450 West 37th Ave. Denver, CO 80211

Colorado National Bank of Denver, Colorado, as Trustee under the Will of Charles W. Emerson, Deceased Address Unknown

Crosier, Kelly & Hall Partnership 5285 S Laredo Way Centennial, CO 80015-4153 Dorotha Stromquist Ekx 1097 Purdue Dr. Longmont, CO 80503

Dorothy T. Wagoner, aka Dorothy T. Clark 1600 South Quebec Way #11 Denver, CO 80231

Douglas Grant 1217 Fox Hill Drive Longmont, CO 80501

Edith C. Suckla Company 4468 Weld County Road 19 Ft. Lupton, CO 80621

Edward A. Teets 1229 Chantilly Road Los Angeles, CA 90077

Edward W. Swanberg 51 - 21st Avenue, No. 16 Longmont, CO 80501

Elizabeth C. Polk 6006 Simms Arvada, CO 80004

Encana Oil & Gas (USA) Inc 370-17 Street, Suite 1700 Denver, CO 80202

Frank J. Suckla Company 4468 Weld County Road 19 Ft. Lupton, CO 80621

Gary P. Kugel Trust fbo Janice K. Kugel under Will dated October 27, 2009, c/o Nelson G. Kugel, Trustee 2432 10th Street Boulder, CO, 80304

Heirs and Devisees of Betty Edwards, Deceased Address Unknown

Heirs and Devisees of Justine M. Moore, Deceased Address Unknown

Heirs or Devisees of Harry Gumeson, Deceased Address Unknown

Irene H. Hamly, as Successor Trustee of the Irene H. Hamly Trust P.O. Box 1061
Black Mountain, NC 28711

J. Robert Gumeson Address Unknown

James A. Brunemeier and Beverly J. Brunemeier 2526 CR 10 Erie, CO 80516

Jamie Modrall, nka Jamie Bybee 10114 Wyandott Circle North Thornton, CO 80260

Jerri Lynn Modrall Doering, aka Jerri Lynn Doering, nka Jerri Lynn Modrall 9025 Silver Birch Blvd. Frederick, CO 80530

JLW Investment, L.L.C. 351 Glencoe St. Denver, CO 80220

John David Johnson, as Trustee of the John David Johnson and Judith Nix Johnson Revocable Trust, UTA dated August 12, 2004 Address Unknown

Joyce M. Hunziker 7037 County Road 19 Fort Lupton, CO 80621

Kay Kugel Sachs 2640 Elmhurst Circle Longmont, CO 80503

Kerr-McGee Oil & Gas Onshore LP 1099 18th Street Denver, CO 80202

Lillian Gumeson Perrine Address Unknown

Lorraine Stromquist Knaus 8152 North 119th Street Longmont, CO 80501

Loudon D. Rosenoff, aka L. Douglas Rosenoff Address Unknown

Mallard, LLC 1649 Metropolitan Drive Longmont, CO 80504

Margaret Boyle Jorgensen, aka Margaret Smith Boyle Address Unknown Mary L. LaPoint, aka Mary B. LaPointe and Mary LaPointe 1719 Viscounti Sandy, UT 84093

Myron R. Rosenoff 6471 Highway 52 Frederick, CO 80530

Nancy E. Brown, aka Nancy Brown 2808 Bent Ave. Cheyenne, WY 82001

Oxford Mission, fka Oxford Mission to Calcutta 22 The Harrage Romsey, Mants 5051 8HE, England

Patricia A. Jones, aka Patricia Ann Jones, aka Patricia Jones 9971 Pinehurst Dr. Sandy, UT 84092

Patricia A. Wilcox Living Trust dated April 24, 1996 401 State Street Sedro Woolley, WA 98284

Patricia Ann Wilcox, Trustee of the John F. Leonard Living Trust dated April 6, 1993 401 State Street Sedro Woolley, WA 98284

Patricia Hunziker 6505 County Road 17 Fort Lupton, CO 80621

Peter B. Teets 11118 Cripplegate Road Potomac, MD

Public Service Company of Colorado Patricia Drury 414 Nicollet Mall, Suite 500 Minneapolis, MN 55401

Robert B. Brown, aka Robert Brown 1038 Bryan Ave. Salt Lake City, UT 84105

Rowland Emerson Hamly 106 Terrace Lane International Falls, MN 56649

Sandy Hanks 12430 E. Triangle M Ranch Road Mayer, Arizona 86333 Sarah J. Jones 705 7th Street Kersey, CO 80644

Silver Spoons, LLC P.O. Box 268 Watkins, CO 80137

Suckla Farms, Inc. 4468 Weld County Road 19 Ft. Lupton, CO 80621

Synergy Resources Corporation 20203 Highway 60 Platteville, CO 80651

The Farmers Reservoir and Irrigation Company 80 S 27th Ave.
Brighton, CO 80601

The Patricia A. Kugel Revocable Living Trust dated February 18, 2010 P.O. Box 6103 Galena, IL 61036

Thelma I. Cantu Address Unknown Therese Elizabeth Coe, Trustee 2617 E. Sylvia Tucson, AZ 85716

Town of Frederick, Colorado PO Box 435 Frederick, CO 80530

W.E. Rosenoff Address Unknown

Wallace Grant P.O. Box 908 Longmont, CO 80502

Wallace H. Grant, Douglas Grant, and Charles Miller Grant c/o Wallace H. Grant P.O. Box 908 Longmont, CO 80502

Zane Nelson PO Box 87 Fort Lupton, CO 80621

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IN THE MATTER OF AN APPLICATION BY EXTRACTION OIL & GAS LLC FOR AN ORDER POOLING ALL INTERESTS IN TWO APPROXIMATE 720-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNITS ESTABLISHED FOR SECTIONS 20, 21, 28, 29, 32 AND 33, TOWNSHIP 2 NORTH, RANGE 67 WEST, 6TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE CODELL AND NIOBRARA FORMATIONS, WATTENBERG FIELD, WELD COUNTY, COLORADO

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AFFIDAVIT OF MAILING

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

Chanda Thomsen, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Extraction Oil & Gas LLC, and on or before September 3., 2015, caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.

Chanda Thomser

Subscribed and sworn to before me this 27 day of August, 2015.

Witness my hand and official seal.

TERESA L. PETERSON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19894002026
MY COMMISSION EXPIRES OCT.4, 2017

Notary Public