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 400-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNITS ESTABLISHED FOR SECTIONS 13 AND 24, TOWNSHIP 2 NORTH, RANGE 68 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

APPLICATION

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 400-acre horizontal wellbore spacing units established for certain portions of Sections 13 and 24, Township 2 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 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 68 West, 6th P.M.

Section 13: W½SE¼, E½SW¼

Section 24: W½NE¼, E½NW¼, NE¼SW¼, NW¼SE¼

Wellbore Spacing Unit ("WSU") Nos. 1 and 2 400 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 400-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. Johnson Trust #1 Well (API No. Pending) Codell Formation WSU #1; and
 - b. Johnson Trust #2 Well (API No. Pending) Niobrara 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. The undersigned certifies that copies of this Application will be served on each interested party as required by Rule 507 within seven (7) days of the filing hereof, 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 2015.

Respectfully submitted,

EXTRACTION OIL & GAS LLC

Bv.

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

<u>VERIFICATION</u>

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 27^{th} day of August, 2015, by Jason Lowrey, Senior Landman for Extraction Oil & Gas LLC.

Witness my hand and official seal.

My commission expires: October 4th 2017

ANDREW STOUT
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134064176
COMMISSION EXPIRES OCT. 04, 2017

Notary Public

Exhibit A

Reference Map for Pooling Application

Township 2 North, Range 68 West, 6th P.M.
Section 13: W½SE¼, E½SW¼
Section 24: W½NE¼, E½NW¼, NE¼SW¼, NW¼SE¼

10	11	12	7	8
15 8W	14	13	18	17
22	23	24	19	2N67VV 20
27	26	25	30	29
34	35	36	31	32

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IN THE MATTER OF AN APPLICATION BY EXTRACTION OIL & GAS LLC FOR AN ORDER POOLING ALL INTERESTS IN TWO APPROXIMATE 400-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNITS ESTABLISHED FOR SECTIONS 13 AND 24, TOWNSHIP 2 NORTH, RANGE 68 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 A attached hereto.

Chanda Thomsen

Subscribed and sworn to before me this 28 day of August, 2015.

Witness my hand and official seal.

ANGELA V. TRIBOLET
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20134073018
"MY COMMISSION EXPIRES NOVEMBER 20, 2017

Notary Public

EXHIBIT A

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 A.

C & M RESOURCES LLC 16 SUNSET CIRCLE LONGMONT, CO 80501

CARLA J. HOBBS 2402 OLD US HIGHWAY #91 CASCADE, MT 59421

CAROLE DUNAWAY BEASLY 3864 S E OLD ST. LUCIE BLVD. STUART, FL 33494

CHARLOTTE SMITH 4800 WILLIAMSBURG PLACE AMARILLO, TX 79119

D. A. MCCALL AND KURT A. SOMMER, AS TRUSTEES OF THE JACK AND ROSE MARIE BEATY REVOCABLE TRUST U/T/A/D DECEMBER 14, 1984 703 OSUNA NE, SUITE 6 ALBUQUERQUE, NM 87113

EMILY M. BURDIS RD #1, BOX 159 MALONE ROAD SALT POINT, NY 12578

ENCANA OIL & GAS (USA) INC. 370-17 STREET, SUITE 1700 DENVER, CO 80202

ERROL J. MCBRIDE, AS TRUSTEE OF THE LENA MAE GRANT IRREVOCABLE TRUST 4880 WEST DIVISION ROAD CRAWFORDSVILLE, IN 47933

EXTRACTION OIL & GAS, LLC 370-17 STREET, SUITE 5300 DENVER, CO 80202

HART SEVEN LLC 510 57TH AVENUE COURT GREELEY, CO 80634

HK RESOURCES, LLC 5791 PELICAN SHORES CT. LONGMONT, CO 80504

JUDITH ANN GORDON 71 LAKESHORE IRVINE, CA 92604 KAREN A. HAMILTON, AS TRUSTEE OF THE KAREN A. HAMILTON LIVING TRUST P.O. BOX 18 FIRESTONE, CO 80520

KERR-MCGEE OIL & GAS ONSHORE LP 1099 18TH STREET DENVER, CO 80202

LAVERN L. HAMILTON, AS TRUSTEE AS THE LAVERN L. HAMILTON LIVING TRUST P.O. BOX 18 FIRESTONE, CO 80520

LINDA JO CAMPBELL 3206 S. COUNTY ROAD 29 LOVELAND, CO 80537

LOREN E. SMITH 2450 CENTRAL AVE., SUITE A-1 BOULDER, CO 80301

MARGARET C. GEROSIN, AS TRUSTEE OF THE MARGARET C. GEROSIN TRUST, DATED NOVEMBER 14, 2012 7322 MANATEE AVENUE WEST #334 BRADENTON, FL 34209

MARTIN J. FREEDMAN R&M LLP P.O. BOX 631999 LITTLETON, CO 80163

MICHAEL L. CAMPBELL 2962 LAKE DRIVE LOVELAND, CO 80538

NOBLE ENERGY, INC. ATTN: COGCC LAND COORDINATOR 1625 BROADWAY, SUITE 2200 DENVER, CO 80202

PAUL S. REEP AND JOAN B. REEP 2653 SPRUCE ST. BOULDER, CO 80302

PDC ENERGY, INC. 1775 SHERMAN STREET, SUITE 3000 DENVER, CO 80203 PIRTLE PROPERTIES, L.P. 3006 CONCORD TYLER, TX 75701

REARDEN MINERALS LLC 5914 W. COURTYARD DR., SUITE 200 AUSTIN, TX 78730

RICHARD N. GORDON 6825 EAST TENNESSEE AVENUE BUILDING 1, SUITE 235 DENVER, CO 80224

ROBERT E. GORDON 5602 SOUTHMOOR LANE ENGLEWOOD, CO

ROBERT S. PIRTLE P.O. BOX 1310 TYLER, TX 75710

STEVEN A. CAMPBELL 13912 N. COUNTY ROAD 7 WELLINGTON, CO 80549

SUSAN J. TROUDT 2134 BLUEBELL AVE. GREELEY, CO 80631 TIAGO CORPORATION P.O. BOX 31 LITTLETON, CO

TOWN OF FEDERICK P.O. BOX 435 FREDERICK, CO 80530

VIRGINIA S. GALLOWAY 3400 SOUTH IVY WAY DENVER, CO 80222

VSL LLC 600 17TH STREET, SUITE 2800 SOUTH DENVER, CO 80202

WESTCHASE PROPERTIES 650 SOUTH CHERRY STREET, SUITE 435 DENVER, CO 80246

WESTERN OIL AND MINERALS LIMITED P.O. DRAWER 1228 FARMINGTON, NM 87499