

**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
PARTIALLY VACATING ORDER NO. 407-1396, AND
POOLING ALL INTERESTS IN AN APPROXIMATE
360-ACRE DESIGNATED HORIZONTAL WELLBORE
SPACING UNIT ESTABLISHED FOR PORTIONS OF
SECTION 19, TOWNSHIP 7 NORTH, RANGE 65
WEST, 6TH P.M. AND SECTION 24, TOWNSHIP 7
NORTH, RANGE 66 WEST, 6TH P.M., FOR THE
DEVELOPMENT/OPERATION OF THE NIOBRARA
FORMATION, 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: (1) vacating Order No. 407-1396, but only insofar as it relates to the Waag #21 Well; and (2) pooling all interests in an approximate 360-acre horizontal wellbore spacing unit designated for certain portions of Section 19, Township 7 North, Range 65 West, 6th P.M. and Section 24, Township 7 North, Range 66 West, 6th P.M., for the development and operation of the Niobrara Formation. 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 has registered as an operator with the Commission.
2. Applicant owns substantial leasehold interests in the below-listed lands:

Township 7 North, Range 65 West, 6th P.M.
Section 19: SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

Township 7 North, Range 66 West, 6th P.M.
Section 24: SE $\frac{1}{4}$

Wellbore Spacing Unit ("WSU") No. 1
360 acres, more or less, Weld County, Colorado

These lands are hereinafter referred to as the "Application Lands" and depicted in Exhibit 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. On or about July 20, 2015, the Commission entered Order No. 407-1396 which, among other things, pooled all interests in an approximate 320-acre horizontal wellbore spacing unit comprised of certain portions of the Application Lands for development and operation of the Niobrara Formation, and subjected any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S. for the drilling of the Waag #21 Well (API No. 05-123-40350) ("Subject Well").

5. As a result of the as-drilled final location of the Subject Well, Applicant has proposed to re-designate an approximate 360-acre horizontal wellbore spacing unit, comprised of the Application Lands, for the Subject Well, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Applicant has notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A.e.(5), and has not received objections to the establishment of the modified horizontal wellbore spacing unit as of the date of this Application.

6. Applicant hereby requests Order No. 407-1396 be vacated in part, but only insofar as it relates to the Subject Well.

7. 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 WSU No. 1, established for the Application Lands, for the development and operation of the Niobrara Formation.

8. Applicant requests that the pooling order entered as a result of this Application 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 Well.

9. 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 the Subject Well, 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 the Subject Well.

10. 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.

11. 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.

12. 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. Vacating Order No. 407-1396 in part, but only insofar as it relates to the Waag #21 Well.

B. Pooling all interests in WSU No. 1 established for the Application Lands, for the development and operation of the Niobrara Formation, with the pooling order 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 Well.

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 Subject Well, 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 the Subject Well.

D. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 19 day of May, 2016.

Respectfully submitted,

EXTRACTION OIL & GAS LLC

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

VERIFICATION

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

Adam Sarvey, 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

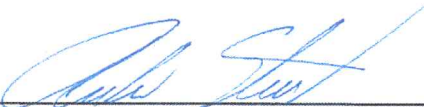


Adam Sarvey

Subscribed and sworn to before me this 19th day of May, 2016, by Adam Sarvey, Landman for Extraction Oil & Gas LLC.

Witness my hand and official seal.

My commission expires: 10/04/2017



Notary Public

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

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.

Darrell Frank Waag
320 N. CR 5
Fort Collins, CO 80524

Winter Oil, LLC
38117 CR 37
Eaton, CO 80615

Joan Hill Omansiek
1500 Ferguson Avenue
Deltona, FL 32725

Kathleen Anne Hill
124 Second Street
Eaton, CO 80615

Richard David Hill
883 Denver Ave
Calhan, CO 80808

Michael Andrew Hill
8 Warren
Georgetown, MA 1833

Calvary Farms, LLC
134 Oak Ave.
Eaton, CO 80615

Vine Royalty L.P.
307 W. 7th Street, Suite 300
Fort Worth, TX 76102

Cheryl Elaine Waag Zimmerman
301 E. 45th Ave
Greeley, CO 80634

Phillip A. Johnson
P.O. Box 683
Paonia, CO 81428

Margaret J. Randow
2705 White Horse Trail
Austin, TX 78757

Dalton Oil, LLC
1400 Falcon Ridge Road
Eaton, CO 80615-9029

Denise Bergin
17591 County Road 78
Eaton, CO 80615

Phillip F. Susemihl and Kaye M. Susemihl
38065 Weld County Road 37
Eaton, CO 80615

Wildcat Energy, LLC
245 E. 54th Street, Suite 5M
New York, NY 10022

PDC Energy, Inc.
1775 Sherman Street, Suite 3000
Denver, CO 80203

Joan Omansiek as Personal Representative of the
Estate of David D. Hill, aka David Hill, aka Dave Hill
1500 Ferguson Avenue
Deltona, FL 32725

Gregory R. Johnson
7383 Westmoreland Dr.
Saint Louis, MO 63130

Dalton, LLC
1335 Hawkridge Road
Eaton, CO 80615

Platte River Energy, LLC
8038 E. Lehigh Dr.
Denver, CO 80237

AK Resources, LLC
P.O. Box 6975
Denver, CO 80206

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CAUSE NO. 407

DOCKET NO. 160700300

SUPPLEMENTAL AFFIDAVIT OF MAILING

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

Tracy L. Peterson, 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 June 14, 2016, caused a copy of the above captioned Application and Notice of Hearing to be deposited in the United States Mail, postage prepaid, addressed to the following:

Sue Ann Waag
6218 Ridgeview Lane
Fort Collins, CO 80524


Tracy L. Peterson

Subscribed and sworn to before me this 14th day of June, 2016.

Witness my hand and official seal.

MARY GRACE T. GO-HOVELAND
Notary Public
State of Colorado
20114013519
My Commission Expires March 3, 2019


Notary Public