

**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  
640-ACRE DESIGNATED HORIZONTAL WELLBORE  
SPACING UNITS ESTABLISHED FOR CERTAIN  
PORTIONS OF SECTIONS 4 AND 5, TOWNSHIP 6  
NORTH, RANGE 67 WEST, 6<sup>TH</sup> P.M., FOR THE  
DEVELOPMENT/OPERATION OF THE NIOBRARA  
FORMATION, WATTENBERG FIELD, WELD  
COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. *To be  
assigned*

TYPE: POOLING

**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 640-acre horizontal wellbore spacing units established for certain portions of Sections 4 and 5, Township 6 North, Range 67 West, 6<sup>th</sup> 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 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 6 North, Range 67 West, 6<sup>th</sup> P.M.

Section 4: N<sup>1</sup>/<sub>2</sub>S<sup>1</sup>/<sub>2</sub>, S<sup>1</sup>/<sub>2</sub>N<sup>1</sup>/<sub>2</sub>

Section 5: N<sup>1</sup>/<sub>2</sub>S<sup>1</sup>/<sub>2</sub>, S<sup>1</sup>/<sub>2</sub>N<sup>1</sup>/<sub>2</sub>

Wellbore Spacing Unit ("WSU") Nos. 1 and 2  
640 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. Upon information and belief, Applicant designated two approximate 640-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 Niobrara Formation. 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. Varra #2 Well (API No. 05-123-39982) – Niobrara Formation – WSU #1; and
- b. Varra #3 Well (API No. 05-123-39984) – 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 Niobrara Formation.

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 Niobrara Formation, 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 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.

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

DATED this 25 day of August, 2016.

Respectfully submitted,

**EXTRACTION OIL & GAS LLC**

By: 

Michael J. Wozniak  
Jillian Fulcher  
Beatty & Wozniak, P.C.  
Attorneys for Applicant  
216 16th Street, Suite 1100  
Denver, Colorado 80202  
(303) 407-4499  
mwozniak@bwenergyllc.com  
jfulcher@bwenergyllc.com

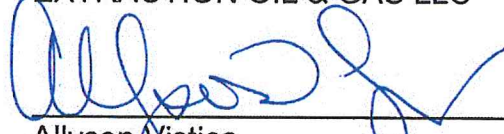
Address of Applicant  
Extraction Oil & Gas LLC  
ATTN: Ellen Brown  
370 17<sup>th</sup> Street, Suite 5300  
Denver, CO 80202

VERIFICATION

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

Allyson Vistica, Land Manager for Extraction Oil & Gas LLC, upon oath deposes and says that she has read the foregoing Application and that the statements contained therein are true to the best of her knowledge, information and belief.

EXTRACTION OIL & GAS LLC

  
\_\_\_\_\_  
Allyson Vistica

Subscribed and sworn to before me this 25<sup>th</sup> day of August, 2016, by Allyson Vistica, Land Manager for Extraction Oil & Gas LLC.

Witness my hand and official seal.

My commission expires: 8/22/18

  
\_\_\_\_\_

Notary Public

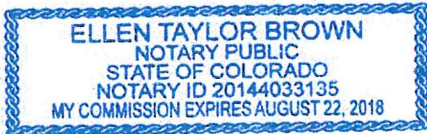


Exhibit A

Reference Map for Pooling Application

Township 6 North, Range 67 West, 6<sup>th</sup> P.M.

Section 4: N $\frac{1}{2}$ S $\frac{1}{2}$ , S $\frac{1}{2}$ N $\frac{1}{2}$

Section 5: N $\frac{1}{2}$ S $\frac{1}{2}$ , S $\frac{1}{2}$ N $\frac{1}{2}$

