

**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  
ESTABLISHING A 1,280-ACRE DRILLING AND  
SPACING UNIT FOR SECTIONS 31 AND 32,  
TOWNSHIP 3 NORTH, RANGE 68 WEST, 6<sup>TH</sup> P.M.,  
FOR HORIZONTAL WELL DEVELOPMENT OF THE  
CODELL AND NIOBRARA FORMATIONS,  
WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO.

TYPE:  
SPACING/INCREASED  
DENSITY

**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 establishing an approximate 1,280-acre drilling and spacing unit for Sections 31 and 32, Township 3 North, Range 68 West, 6<sup>th</sup> P.M., and authorizing the drilling of up to nineteen (19) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from 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 3 North, Range 68 West, 6<sup>th</sup> P.M.

Section 31: All

Section 32: All

1,280 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 or about February 19, 1992, the Commission entered Order No. 407-87 (amended August 20, 1993) which, among other things, established 80-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formations. The Application Lands are subject to Order No. 407-87. At present, there is one existing vertical well producing within the Application Lands pursuant to Order No. 407-87 (Stamp #1-2C Well, API No. 05-123-10615). Applicant hereby confirms that this well shall remain subject to applicable spacing orders of the Commission, and shall not be affected by Applicant's requested relief under this Application. Accordingly, Applicant herein requests that Order No. 407-87 be maintained as to the Application Lands.

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 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.

5. Applicant requests the Commission establish the Application Lands as an approximate 1,280-acre drilling and spacing unit for the Codell and Niobrara Formations pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the horizontal wells proposed to be drilled under this Application and completed in the Codell and Niobrara Formations.

6. Applicant requests it be authorized to drill and complete up to nineteen (19) horizontal wells in the approximate 1,280-acre drilling and spacing unit proposed for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, as necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

7. Applicant states that, for any permitted wells to be drilled under this Application, the treated intervals of the wellbore should be not less than 460 feet from the unit boundaries with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Codell and Niobrara Formations, without exception being granted by the Director.

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 states that any horizontal wells to be drilled under this Application will be drilled from one multi-well pad on the surface of the drilling unit, or on adjacent lands with consent of the landowner, unless an exception is granted by the Director.

10. 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.

11. 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. Establishing an approximate 1,280-acre drilling and spacing unit for Application Lands, and authorizing the drilling of up to nineteen (19) horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, with the treated intervals of the wellbore of any permitted wells to be located not less than 460 feet from the outer boundary of the unit and not less than 150 feet from the treated interval of any well being drilled or producing from the Codell and Niobrara Formations, without exception being granted by the Director.

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

DATED this 19<sup>th</sup> day of January, 2017.

Respectfully submitted,

**EXTRACTION OIL & GAS LLC**

By:   
\_\_\_\_\_  
Michael J. Wozniak  
Jillian Fulcher  
Evan Bekkedahl  
Beatty & Wozniak, P.C.  
Attorneys for Applicant  
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Denver, Colorado 80202  
(303) 407-4499  
mwozniak@bwenergyllaw.com  
jfulcher@bwenergyllaw.com  
ebekkedahl@bwenergyllaw.com

Address of Applicant  
Extraction Oil & Gas LLC  
ATTN: Jason Lowrey  
370 17<sup>th</sup> Street, Suite 5300  
Denver, Colorado 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 19<sup>th</sup> day of January, 2017, by Jason Lowrey, Senior Landman for Extraction Oil & Gas LLC.

Witness my hand and official seal.

My commission expires: 10/04/2017

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

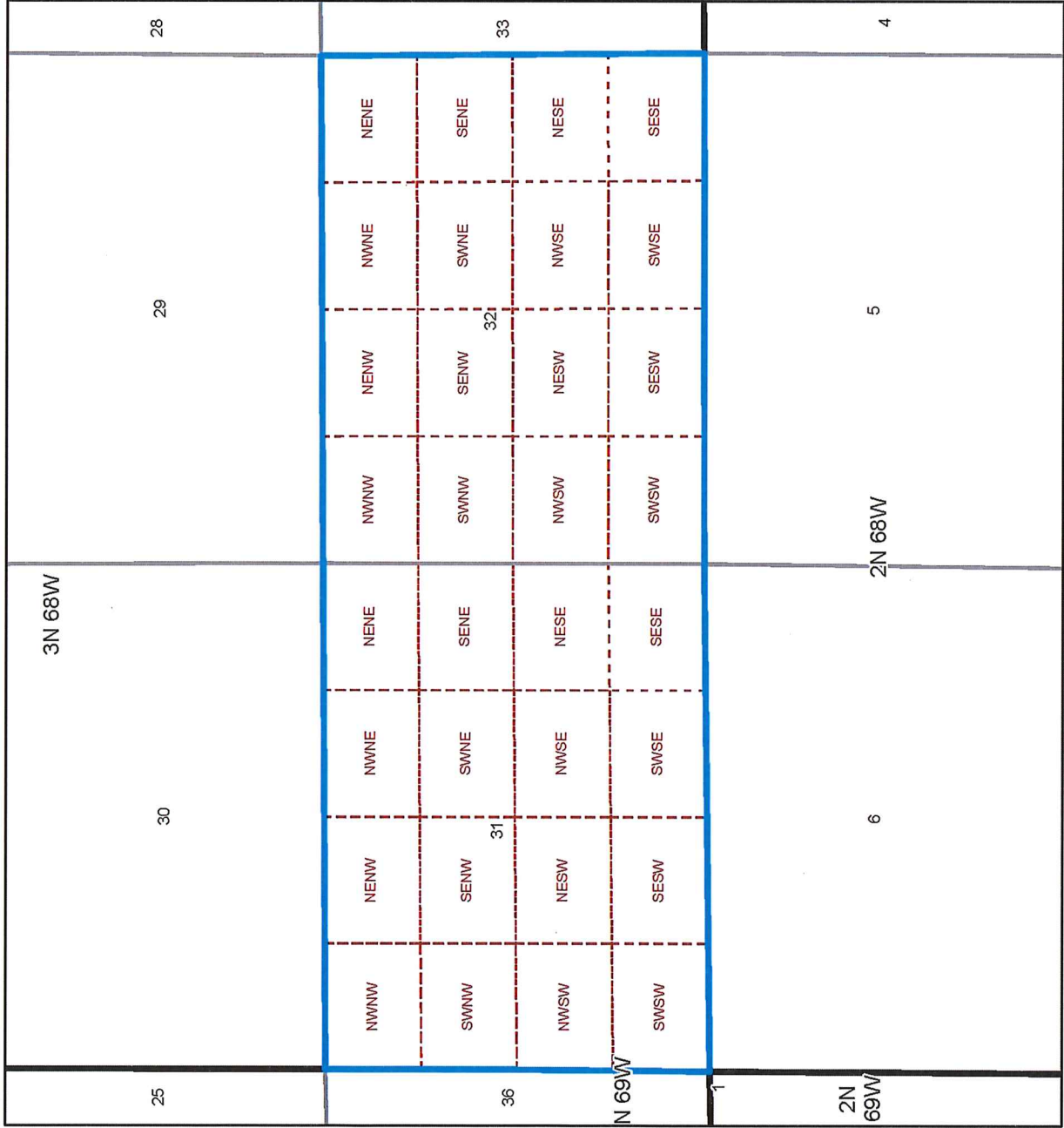
  
\_\_\_\_\_  
Notary Public



**Legend**

- Proposed Spacing Unit
- Quarter/Quarter Section Grid

# EXHIBIT A



Hergenrider  
Proposed Spacing Unit  
T3N R68W Sec: 31 & 32  
Weld County, CO.

DATE: 01/19/2017 PRJ: GCS NAD83  
SCALE: 1:22,800 AUTHOR: ECP

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WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 170300158

TYPE:  
SPACING/INCREASED  
DENSITY

AFFIDAVIT OF MAILING

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

Grace Go-Hoveland, 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 the 26th day of January, 2017, 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.

  
\_\_\_\_\_  
Grace Go-Hoveland

Subscribed and sworn to before me this 23rd day of January, 2017.

Witness my hand and official seal.

  
\_\_\_\_\_  
Notary Public

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

## EXHIBIT A

### INTERESTED PARTIES

EXTRACTION OIL & GAS, LLC  
370 17TH ST, SUITE 5300  
DENVER, CO 80202

SHORELINE ENERGY HOLDINGS II, INC.  
500, 500-4TH AVENUE S.W.  
CALGARY, AB, CANADA T2P 2V6

RODNEY K. HERRING  
3609 S. WADSWORTH BLVD., SUITE 340  
LAKEWOOD, CO 80235

LARRICK W. FRENCH  
1676 WCR #28  
LONGMONT, CO 80504

ANDREW D. WHITE AND DANIELLE WHITE,  
JOINT TENANTS  
1400 WCT #28  
LONGMONT, CO 80504

THE TAMMY WAYCOTT TRUST,  
DATED OCTOBER 10, 2008  
1540 WCR #28  
LONGMONT, CO 80501

JOSEPH D. WILSON AND ELAINE C. WILSON,  
JOINT TENANTS  
1704 WCR #28  
LONGMONT, CO 80504

BRANDON MARETTE, ENERGY LIAISON  
COLORADO PARKS AND WILDLIFE  
NORTHEAST REGION OFFICE  
6060 BROADWAY  
DENVER, CO 80216

TOP OPERATING COMPANY  
3609 S. WADSWORTH BLVD., SUITE 340  
LAKEWOOD, CO 80235

MURRAY J. HERRING  
3609 S. WADSWORTH BLVD., SUITE 340  
LAKEWOOD, CO 80235

CITY OF LONGMONT  
CIVIC CENTER COMPLEX, 350 KIMBARK ST.  
LONGMONT, CO 80501

CHRIS A. CAIN AND LINDA M. CAIN, JOINT  
TENANTS  
1324 STATE HIGHWAY 66  
LONGMONT, CO 80504

JAMES E. WELSCH  
825 HILLSIDE COURT  
LONGMONT, CO 80501

VINCENT L. KELLEY AND MARY G. KELLEY,  
JOINT TENANTS  
P.O. BOX 5  
LONGMONT, CO 80502

TROY SWAIN  
WELD COUNTY  
DEPARTMENT OF PLANNING SERVICES  
1555 NORTH 17<sup>TH</sup> AVENUE  
GREELEY, CO 80631

KENT KUSTER  
OIL & GAS CONSULTANT COORDINATOR  
COLORADO DEPARTMENT OF  
PUBLIC HEALTH & ENVIRONMENT  
4300 CHERRY CREEK DRIVE SOUTH  
DENVER, CO 80246-1530