



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

IN THE MATTER OF THE APPLICATION OF)
EXTRACTION OIL & GAS, INC. FOR AN)
ORDER ESTABLISHING AN APPROXIMATE)
1,280-ACRE DRILLING AND SPACING UNIT)
AND ESTABLISHING WELL LOCATION RULES)
APPLICABLE TO THE DRILLING AND)
PRODUCING OF WELLS FROM THE CODELL)
AND NIOBRARA FORMATIONS COVERING)
SECTIONS 33 AND 34, TOWNSHIP 6 NORTH,)
RANGE 65 WEST, 6TH P.M., WATTENBERG)
FIELD, WELD COUNTY, COLORADO.)

Cause No. 407
Docket No. 170500233
Type: SPACING AND
INCREASED DENSITY

APPLICATION

Extraction Oil & Gas, Inc., Operator No. 10459 ("Applicant" or "Extraction"), by and through its attorneys, Welborn Sullivan Meck & Tooley, 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 and establishing well location rules applicable to the drilling of wells and producing of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations covering certain lands in Weld County, Colorado. In support of its Application, Applicant states as follows:

1. Applicant is a corporation duly authorized to conduct business in Colorado.
2. Applicant owns leasehold interests in the following lands ("Application Lands"):

Township 6 North, Range 65 West, 6th P.M.
Section 33: All
Section 34: All

Weld County, Colorado

A reference map of the Application Lands is attached hereto.

3. On February 19, 1992, the Commission entered Order No. 407-87, August 20, 1993, which established 80-acre drilling and spacing units for the production of oil and/or gas from the Codell-Niobrara Formations underlying lands in Adams, Boulder, Jefferson, Larimer, and Weld Counties. The Order allows for dual completion and downhole commingling as to both oil and gas in the Codell-Niobrara Formations.

4. On April 27, 1988, the Commission adopted Rule 318A, the Greater Wattenberg Area Special Well Location, Spacing and Unit Designation Rule, which was amended

on August 8, 2011 to, among other things, address the drilling of horizontal wells and requires that a horizontal wellbore spacing unit must include any governmental quarter-quarter section that are located less than 460' from the completed interval of the wellbore lateral. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of the Greater Wattenberg Area. The Rule does not, however, prohibit the establishment of drilling and spacing units within the Greater Wattenberg Area.

5. On June 17, 2014, the Commission entered Order No. 407-1048, which approved Noble Energy, Inc.'s request for an order to pool all interests in two approximate 480-acre designated horizontal wellbore spacing units established for the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 26, S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 27, N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 34, and N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 35, Township 6 North, Range 65 West, 6th P.M., effective as of the date of the Application, for development and operation of the Niobrara Formation and subjected all nonconsenting parties to the cost recovery provisions of Section 34-60-116(7), C.R.S., for the Steadfast E27-62-1HN and the Healy E34-69HN wells.

6. The Codell and Niobrara Formations are a common source of supply under the Application Lands.

7. To promote efficient drainage of the Codell and Niobrara Formations within the Application Lands and to avoid waste, Applicant requests that the Commission establish an approximate 1,280-acre drilling and spacing unit covering the Application Lands described below for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations:

Township 6 North, Range 65 West, 6th P.M.

Section 33: All

Section 34: All

8. Applicant is requesting to drill and complete one (1) horizontal well in the approximate 1,280-acre drilling and spacing unit described above, with the option to drill and complete up to a total of twenty-two (22) horizontal wells in the unit for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations with the surface location to be located at a legal location in the above-described drilling and spacing unit or on adjacent lands. Applicant further requests that the treated interval of each wellbore be no closer than 150 feet from the treated interval of any other wellbore producing from the Codell and Niobrara Formations, and no closer than 460 feet from a unit boundary, without exception being granted by the Director.

9. There are existing vertical and directional wells producing from the Codell and/or Niobrara Formations within the Application Lands. Applicant requests that such wells and production therefrom remain subject to their respective governing orders.

10. The LDS E #35-79HC well (API# 05-123-35466) was drilled in the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 34, Township 6 North, Range 65 West, 6th P.M., within a 320-acre Rule 318A horizontal wellbore spacing unit oriented North-South. Noble Energy, Inc. operates this well, which is currently producing from the Codell Formation. Applicant requests that this well and production therefrom remain subject to its respective governing orders, if any.

11. The Healy E34-69HN well (API# 05-123-38160) was drilled from a surface location in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 26, Township 6 North, Range 65 West, 6th P.M., with a bottom hole location in the N $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 34, Township 6 North, Range 65 West, 6th P.M., and within a 480-acre Rule 318A horizontal wellbore spacing unit covering the S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 26, S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 27, N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 34, and N $\frac{1}{2}$ N $\frac{1}{2}$ of Section 35, Township 6 North, Range 65 West, 6th P.M. Noble Energy, Inc. operates this well, which is currently producing from the Niobrara Formation and is subject to Order No. 407-1048. Applicant requests that this well and production therefrom remain subject to its respective governing orders.

12. Applicant requests authority to drill only those wells necessary to determine the well density which allows the most efficient drainage of the Codell and Niobrara Formations, prevents waste, does not adversely affect correlative rights, and assures the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the Codell and Niobrara Formations. The drilling and spacing units are not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in such drilling and spacing unit. Applicant further maintains that wells drilled in the drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.


13. Applicant further requests that the wells be drilled from one well pad located within the unit or from a legal location on adjacent lands, without exception granted by the Director.

14. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof, and the undersigned certifies that copies of the original Application shall be served on each interested party as required by Rule 503.e. and 507.b.(1).

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 consistent with Applicant's proposals as set forth above.

Dated this 2nd day of March, 2017.

Respectfully submitted,
WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: 

Stephen J. Sullivan
Joseph C. Pierzchala
Welborn Sullivan Meck & Tooley, P.C.
Attorneys for Applicant
1125 - 17th Street, Suite 2200
Denver, CO 80202
303-830-2500

Applicant's Address:

Extraction Oil & Gas, Inc.
370 17th Street, Suite 5300
Denver, CO 80202
Attn: Drew Stout, Landman
Phone: 720-557-8325

VERIFICATION

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

Drew Stout, Landman with Extraction Oil & Gas, Inc., 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, INC.




Drew Stout, Landman

Subscribed and sworn to before me this 1st day of March, 2017, by Drew Stout, Landman for Extraction Oil & Gas, Inc.

Witness my hand and official seal.

ANNE MICHELLE PIERINI
Notary Public
State of Colorado
Notary ID # 20124036744
My Commission Expires 01-04-2021



Notary Public
My Commission Expires: 1/4/21

EXHIBIT A

INTERESTED PARTIES

Troy Swain
Weld County
Department of Planning Services
1555 North 17th Avenue
Greeley CO 80631

Colorado Department of Public Health and
Environment
Attn: Kent Kuster, Oil and Gas Liaison
4300 Cherry Creek Dr. South
Denver, CO 80246-1530

Colorado Division of Wildlife
Northeast Region Office
6060 Broadway
Denver, CO 80216

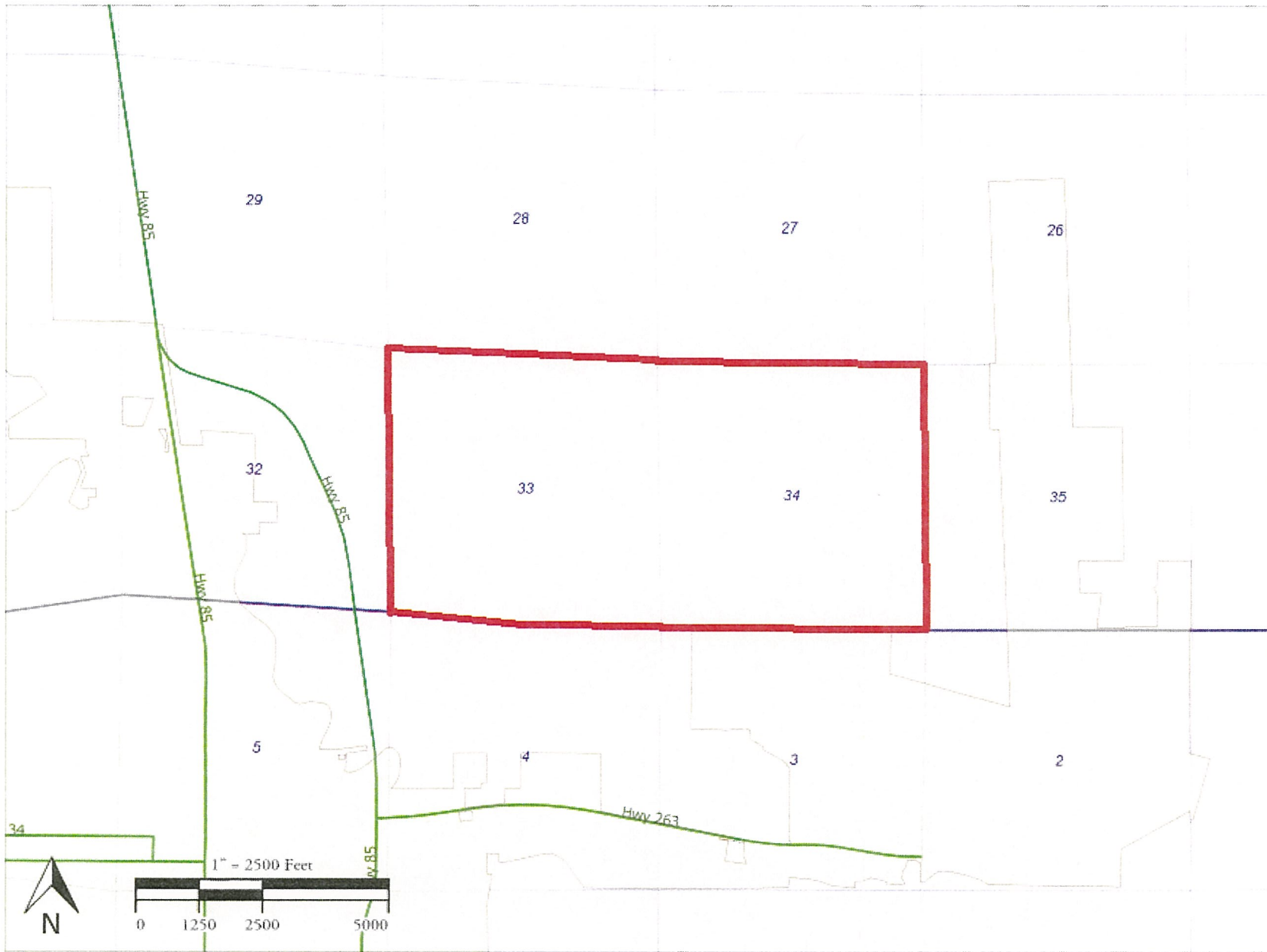
[Intentionally left blank, Exhibit A continued on next page.]

EXHIBIT A
INTERESTED PARTIES
DOCKET NO. 170500²³³

Working Interest Owners

Bayswater Blenheim Holdings, LLC.
Bayswater Exploration & Production, LLC.
Corp of Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints
Encana Oil and Gas USA, Inc
Energy Minerals Corporation
Extraction Oil & Gas LLC
H & C Colton Company
Incline Niobrara Partners LP
Incline Niobrara Partners, LP
Jack L. Schreiber
Kerri Lynn Kowalski
Kerr-McGee Oil & Gas Onshore LP
Lori Ann Folkers
Meagher Oil and Gas Properties
Merit Energy Partners D-III, LP
Merit Energy Partners III, LP
Merit Management Partners I, LP
Merit Management Partners III, LP
Merit Partners LP
Michael D. Zeitlin
NBL Energy Royalties, Inc
Noble Energy
Noble Energy Inc.
Noble Energy WYCO, LLC
PDC Energy
Petroleum Development Corporation
Prima Exploration, Inc.
Pro-Active Investments Inc
Pumba Enterprises, LLC
Rockies Region Private Limited Partnership
Serac Investments LLC
Sunshine Valley Petroleum
Synergy Resources Corporation
Weeks Energy Minerals Corporation
Wilson Family 2010 Trust

Reference Map - Secs. 33/34, T6N, R65W



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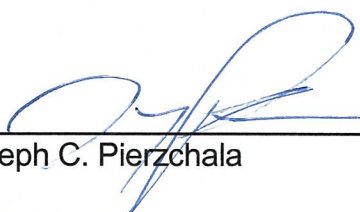
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AFFIDAVIT OF MAILING

STATE OF COLORADO §
CITY AND COUNTY OF DENVER §

I, Joseph C. Pierzchala, of lawful age, and being first duly sworn upon my oath, state and declare:

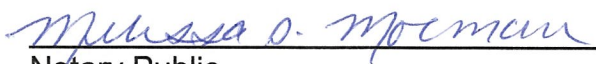
That I am the attorney for Extraction Oil & Gas, Inc. and that on or before March 6, 2017, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties on the Exhibit A to the Application.



Joseph C. Pierzchala

Subscribed and sworn to before me March 10, 2017

Witness my hand and official seal.



Notary Public
My commission expires: 08/29/2017

