

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 VACATING NINE DESIGNATED RULE)
318A HORIZONTAL WELLBORE SPACING)
UNITS AND ORDER NO. 407-1121 AND)
ESTABLISHING AN APPROXIMATE 1,600-)
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, ADAMS COUNTY, COLORADO.)

Cause No. 407
Docket No. 170500282
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 (1) vacating nine designated Rule 318A horizontal wellbore spacing units and Order No. 407-1121 and (2) establishing an approximate 1,600-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 Adams County, Colorado. In support of its Application, Applicant states as follows:

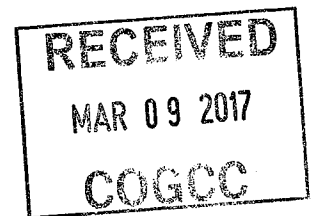
1. Applicant is a corporation duly authorized to conduct business in Colorado.
2. Applicant owns leasehold interests in the following lands ("Application Lands"):

Township 1 South, Range 66 West, 6th P.M.
Section 11: All
Section 12: All

Township 1 South, Range 65 West, 6th P.M.
Section 7: S½

Adams 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 October 27, 2014, the Commission entered Order No. 407-1121, which approved Extraction Oil & Gas Inc.'s request for an order to pool all interests in nine approximate 320-acre designated Rule 318A horizontal wellbore spacing units established by Extraction for the E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$ of Section 12, Township 1 South, Range 66 West, 6th P.M., effective as of the date of the Application, for development and operation of the Codell and Niobrara Formations and subjected all nonconsenting parties to the cost recovery provisions of Section 34-60-116(7), C.R.S., for the Duck Club #1 Well (API No. 05-001-09821), the Duck Club #2 Well (API No. 05-001-09820), the Duck Club #3 Well (API No. 05-001-09818), the Duck Club #4 Well (API No. 05-001-09819), the Duck Club #5 Well (API No. 05-001-09817), the Duck Club #6 Well (API No. 05-001-09814), the Duck Club #7 Well (API No. 05-001-09822), the Duck Club #8 Well (API No. 05-001-09815), and the Duck Club #9 Well (API No. 05-001-09816) (the "Duck Club WSUs"). Section 12, Township 1 South, Range 66 West, 6th P.M. of the Application Lands is subject to the Duck Club WSUs and Order No. 407-1121.

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 (1) vacate the Duck Club WSUs and Order No. 407-1121 and (2) establish an approximate 1,600-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 1 South, Range 66 West, 6th P.M.

Section 11: All

Section 12: All

Township 1 South, Range 65 West, 6th P.M.

Section 7: S $\frac{1}{2}$

8. Applicant is requesting to drill and complete one (1) horizontal well in the approximate 1,600-acre drilling and spacing unit described above, with the option to drill and

complete up to a total of forty-four (44) 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. 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.

10. 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.

11. 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
Joséph 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: Jason Lowrey, Senior Landman

Phone: 720-557-8325

VERIFICATION

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

Jason Lowrey, Senior 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.

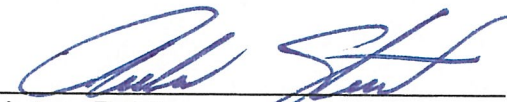


Jason Lowrey, Senior Landman

Subscribed and sworn to before me this 3rd day of March, 2017, by Jason Lowrey, Senior Landman for Extraction Oil & Gas, Inc.

Witness my hand and official seal.

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



Notary Public
My Commission Expires: 10/04/2017

EXHIBIT A

INTERESTED PARTIES

Christopher Simmons
Adams County
4300 South Adams County Pkwy,
Brighton CO 80601-8218

Marv Falconburg
City of Brighton
500 South 4th Avenue
Brighton CO 80221

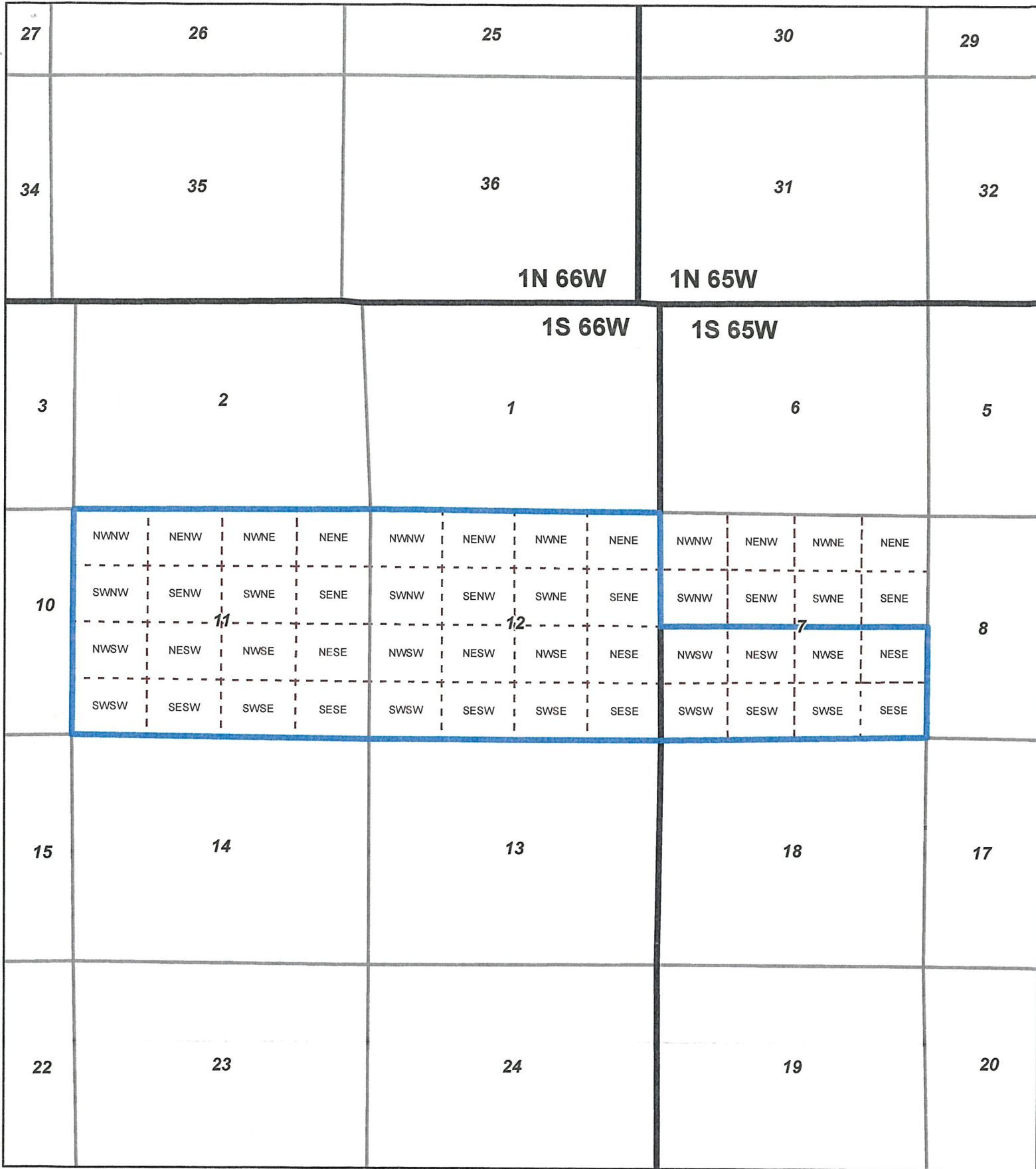
Colorado Department of Public Health and
Environment
Attn: Kent Kuster, Oil and Gas Liaison
4300 Cherry Creek Dr. South
Denver, CO 80246-1530

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. 170500282


King Paul 1 LLC 25% Int et al. C/O Depaul Real Estate Investment Group Inc
Pierce Linda M and Pierce Keith N Jr
Langston Danny Und 1/3 Int and White Heidi L Und 2/3 Int
Serfer Land Ventures LLC
Tracy Alfred L and Jean C
Great Western Operating Company, LLC





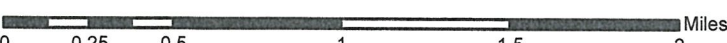
EXTRACTION
Oil & Gas

**DUCK CLUB
PROPOSED SPACING UNIT**

DATE: 3/2/2017 PRJ: GCS NAD83
SCALE: 1:36,000 AUTHOR: ECP

 Proposed Spacing Unit

 Quarter/Quarter Section Grid


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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:

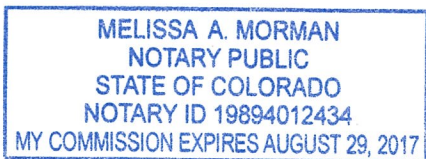
That I am the attorney for Extraction Oil & Gas, Inc. and that on or before March 9, 2017, I caused a copy of the attached Application to be deposited in the United States mail, postage prepaid, addressed to the parties on the Exhibit A to the Application.

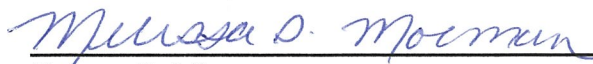


Joseph C. Pierzchala

Subscribed and sworn to before me March 10, 2017

Witness my hand and official seal.





Notary Public
My commission expires: 08/29/2017