



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 ORDER NO. 407-1794 AND )  
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 )  
CERTAIN LANDS IN TOWNSHIP 1 NORTH, )  
RANGE 68 WEST, 6TH P.M., WELD COUNTY, )  
COLORADO. )

Cause No. 407  
Docket No. 170700469  
Type: SPACING

APPLICATION

Extraction Oil & Gas, Inc. ("Applicant"), Operator No. 10459, by 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 vacating Order No. 407-1794, 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 owns leasehold interests in the following lands ("Application Lands"):

Township 1 North, Range 68 West, 6th P.M.  
Section 21: All  
Section 28: All

A reference map of the Application Lands is attached hereto.

2. 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.

3. On October 24, 2016, the Commission entered Order No. 407-1794 which established one approximate 1,280-acre drilling and spacing unit for Sections 28 and 33, Township 1 North, Range 68 West, 6th P.M., and approved up to a total of 20 horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations. Section 28, Township 1 North, Range 68 West, 6th P.M., of the Application Lands is subject to this Order.

4. Applicant has drilled, tested and completed wells in the Codell and Niobrara Formations on lands in close proximity to the Application Lands.

5. There are vertical wells within the above-described 1,280-acre drilling and spacing unit producing from, *inter alia*, the Codell and Niobrara Formations. Applicant is the Operator of certain of these wells, which Applicant intends to plug and abandon pursuant to the Commission Rules as soon as production is established in the requested drilling and spacing unit from the requested horizontal wells. For those vertical wells which Applicant is not the operator, Applicant states those wells will not be affected by the proposed spacing unit and order and will remain subject to applicable Commission rules and spacing orders such that proceeds from the sale of oil or gas from those wells shall continue to be distributed based on the applicable rules and spacing orders.

6. To promote efficient drainage of the Codell and Niobrara Formations within the Application Lands and to avoid waste, the Commission should vacate Order No. 407-1794 and 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 1 North, Range 68 West, 6th P.M.

Section 21: All

Section 28: All

7. Applicant is requesting to drill and complete one (1) horizontal well in the above-described approximate 1,280-acre drilling and spacing unit with the option to drill and complete up to a total of twenty (20) horizontal wells in the unit for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations in the Application Lands 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/or Niobrara formations, and no closer than 460 feet from the northern, western, and eastern unit boundaries and 150 feet from the southern unit boundary, without exception being granted by the Director.

8. 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 proposed drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the authorized wells in such drilling and spacing unit.

Applicant further maintains that wells drilled in the above-proposed drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners. Applicant states that the proposed drilling and spacing unit and number of wells will not have an adverse effect on public, health, safety, and welfare.

9. Applicant states that the wells be drilled from one well pad located within the unit and/or from a legal location on adjacent lands, without exception granted by the Director.

10. 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 this Application shall be served on each interested party within seven days after filing of the original application as required by Rules 503.e, 507.b.1, and 507.b.5.

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 25th day of May, 2017.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: 

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

Applicant's Address:

Extraction Oil & Gas, Inc.  
370 17<sup>th</sup> Street, Suite 5300  
Denver, CO 80202  
Attn: Allyson Vistica, Land Manager  
Phone: 720-557-8300



EXHIBIT A

INTERESTED PARTIES

**Town of Erie**

R. Martin Ostholthoff  
645 Holbrook Street  
P.O. Box 750  
Erie, CO 80516

**Weld County Department of Planning Services**

Troy Swain  
1555 North 17th Avenue  
Greeley, CO 80631

**Colorado Department of Public Health and Environment**

Kent Kuster  
4300 Cherry Creek Drive South  
Denver, CO 80246-1500

**Colorado Parks and Wildlife**

Brandon Marette  
Northeast Region Office  
6060 Broadway  
Denver, CO 80216

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EXHIBIT A CONTINUED ON NEXT PAGE

**EXHIBIT A**

**INTERESTED PARTIES**

Anadarko Petroleum Corporation  
1099 18<sup>th</sup> Street  
Denver, CO 80202

Extraction Oil & Gas, Inc.  
370 17<sup>th</sup> Street, Suite 5300  
Denver, CO 80202

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16

15

20

NWNW

NENW

NWNE

NENE

SWNW

SENW

SWNE

SENE

21

NWSW

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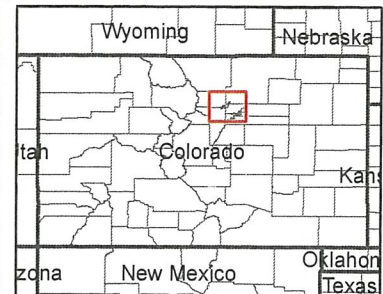
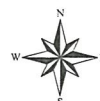


Coyote North Proposed Spacing Unit

DATE: 5/19/2017 PRJ: GCS NAD83  
SCALE: 1:19,200 AUTHOR: ECP

- Proposed Spacing Units
- Quarter/Quarter Section Grid

Coyote North Spacing  
Township 1N Range 68W, 6th P.M.  
Section: 21, All  
Section: 28, All



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1,280-ACRE DRILLING AND SPACING UNIT	)	Type: SPACING
AND ESTABLISHING WELL LOCATION	)	
RULES APPLICABLE TO THE DRILLING AND	)	
PRODUCING OF WELLS FROM THE	)	
CODELL AND NIOBRARA FORMATIONS	)	
COVERING CERTAIN LANDS IN TOWNSHIP	)	
1 NORTH, RANGE 68 WEST, 6TH P.M.,	)	
WELD COUNTY, COLORADO.	)	

AFFIDAVIT OF MAILING

STATE OF COLORADO	§
	§
CITY AND COUNTY OF DENVER	§

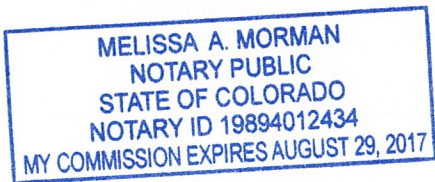
I, Joseph C. Pierzchala, of lawful age, and being first duly sworn upon my oath, state and declare:


That I am the attorney for Extraction Oil & Gas, Inc. and that on or before June 1, 2017, I 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 to the Application.

  
 \_\_\_\_\_  
 Joseph C. Pierzchala

Subscribed and sworn to before me June 1, 2017.

Witness my hand and official seal.



  
 \_\_\_\_\_  
 Notary Public  
 My commission expires: 8/29/2017