

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

IN THE MATTER OF THE AMENDED APPLICATION OF EXTRACTION OIL & GAS, INC. FOR AN ORDER VACATING ORDER NOS. 407-1794, 407-1825, AND 407-1826 AND ESTABLISHING AN APPROXIMATE 1,360-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 TOWNSHIPS 1 NORTH AND SOUTH, RANGE 68 WEST, 6TH P.M., BROOMFIELD AND WELD COUNTIES, COLORADO.

Cause No. 407
Docket No. 170700470
Type: SPACING

AMENDED APPLICATION

Extraction Oil & Gas, Inc. ("Applicant"), Operator No. 10459, by its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this Amended Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order vacating Order Nos. 407-1794, 407-1825, and 407-1826 and establishing an approximate 1,360-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 Broomfield and Weld Counties, 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 33: E 1/2

Section 34: W 1/2

Township 1 South, Range 68 West, 6th P.M.

Section 3: W 1/2

Section 4: E 1/2, E 1/2 E 1/2 W 1/2

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 33, Township 1 North, Range 68 West, 6th P.M., of the Application Lands is subject to this Order.

4. **On October 24, 2016, the Commission entered Order No. 407-1825 which established one approximate 320-acre drilling and spacing unit for the W $\frac{1}{2}$  of Section 3, Township 1 South, Range 68 West, 6th P.M., and approved up to a total of 10 horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations. The W $\frac{1}{2}$  of Section 3, Township 1 North, Range 68 West, 6th P.M., of the Application Lands is subject to this Order.**

5. On October 24, 2016, the Commission entered Order No. 407-1826 which established one approximate 640-acre drilling and spacing unit for Section 4, Township 1 South, 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. The E $\frac{1}{2}$  and E $\frac{1}{2}$ E $\frac{1}{2}$ W $\frac{1}{2}$  of Section 4, Township 1 North, Range 68 West, 6th P.M., of the Application Lands is subject to this Order.

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

7. There are vertical wells within the above-described 1,360-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.

8. To promote efficient drainage of the Codell and Niobrara Formations within the Application Lands and to avoid waste, the Commission should vacate Order Nos. 407-1794, **407-1825**, and 407-1826 and establish an approximate 1,360-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 33: E $\frac{1}{2}$

Section 34: W $\frac{1}{2}$

Township 1 South, Range 68 West, 6th P.M.

Section 3: W $\frac{1}{2}$

Section 4: E $\frac{1}{2}$ , E $\frac{1}{2}$ E $\frac{1}{2}$ W $\frac{1}{2}$

9. Applicant is requesting to drill and complete one (1) horizontal well in the above-described approximate 1,360-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 and western unit boundaries and 150 feet from the eastern and southern unit boundaries, without exception being granted by the Director.

10. 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.

**11. At the request of the City and County of Broomfield, Applicant makes the following two amendments to the Application. First, while Applicant maintains its veracity, Applicant retracts the following statement contained in the original Application “that the proposed drilling and spacing unit and number of wells will not have an adverse effect on public, health, safety, and welfare.” Second, Applicant’s original Application requested 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.” Applicant states that the wells be drilled from one well pad located in the SE $\frac{1}{4}$  of Section 28, Township 1 North, Range 68 West, without exception granted by the Director.**

12. 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 application as required by Rules 503.e, 507.b.1, and 507.b.5. **Applicant further states that the interested parties entitled to notice within the W $\frac{1}{2}$  of Section 3, Township 1 South, Range 68 West, which lands are currently subject to Order No. 407-1825 that is to be vacated by this Amended Application, were included on the Exhibit A to the original Application and timely provided with the original Application and Notice of Hearing.**

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 **28th** day of **June**, 2017.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: \_\_\_\_\_

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

Applicant's Address:

Extraction Oil & Gas, Inc.  
370 17<sup>th</sup> Street, Suite 5300  
Denver, CO 80202  
Attn: Jason Rayburn, Landman  
Phone: 720-557-8300

VERIFICATION

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

Jason Rayburn, Landman with Extraction Oil & Gas, Inc., upon oath deposes and says that he has read the foregoing Amended Application and that the statements contained therein are true to the best of his knowledge, information and belief.

EXTRACTION OIL & GAS, INC.

\_\_\_\_\_  
Jason Rayburn, Landman

Subscribed and sworn to before me this 28<sup>th</sup> day of **June**, 2017 by Jason Rayburn, 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

Anne Pierini  
Notary Public  
My Commission Expires: 1/4/21

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

**City and County of Broomfield**

Tami Yellico  
One DesCombes Drive  
Broomfield, CO 80020

**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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]  
EXHIBIT A CONTINUED ON NEXT PAGE

**EXHIBIT A**

**INTERESTED PARTIES**

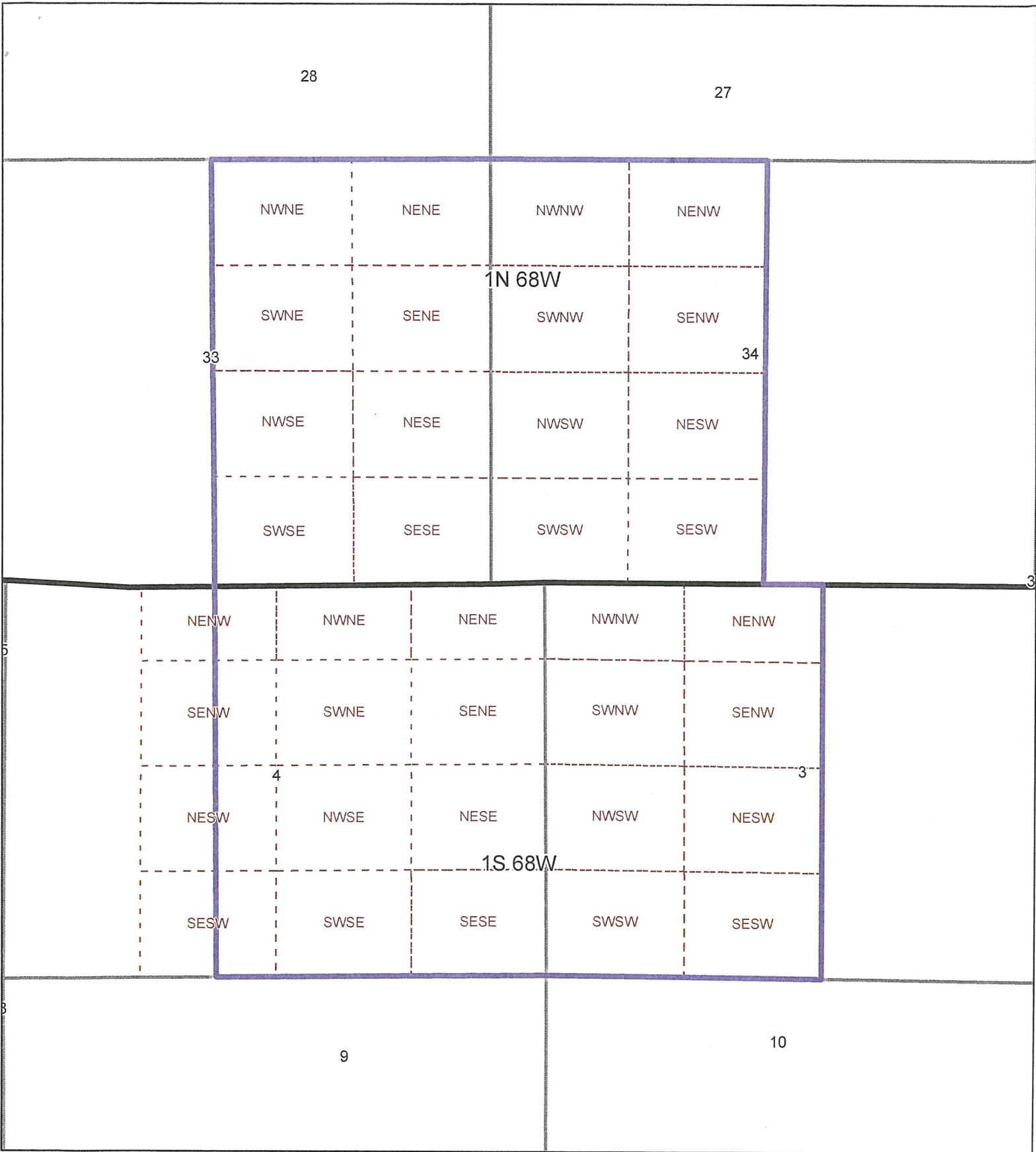
Crestone Peak Resources  
1801 California Street, Suite 2500  
Denver, CO 80202

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

Stonemor Colorado LLC  
3600 Horizon Blvd, Suite 100  
Trevose, PA 19056

Thornton 164, LLC  
1601 Blake Street, Suite 600  
Denver, CO 80202

CCOB Oil Investments, LLC  
2725 Rocky Mountain Avenue, Suite 200  
Loveland, CO 80538



**EXTRACTION**  
Oil & Gas

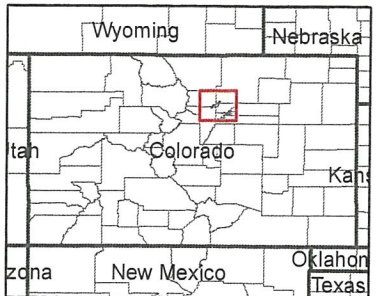
**Coyote South  
Proposed Spacing Unit**

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: 33, E2  
Section: 34, W2  
Township 1S Range 68W, 6th P.M.  
Section: 3, W2  
Section: 4, E2, E2/E2W2*

1 inch = 1,600 feet  
0 400 800 1,600 2,400 3,200 Feet





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

IN THE MATTER OF THE <b>AMENDED</b>	)	Cause No. 407
APPLICATION OF EXTRACTION OIL & GAS,	)	
INC. FOR AN ORDER VACATING ORDER	)	Docket No. 170700470
NOS. 407-1794, <b>407-1825</b> , AND 407-1826	)	
AND ESTABLISHING AN APPROXIMATE	)	Type: SPACING
1,360-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	)	
TOWNSHIPS 1 NORTH AND SOUTH, RANGE	)	
68 WEST, 6TH P.M., BROOMFIELD AND	)	
WELD COUNTIES, 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 29, 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 29, 2017.

Witness my hand and official seal.

MELISSA A. MORMAN  
 NOTARY PUBLIC  
 STATE OF COLORADO  
 NOTARY ID 19894012434  
 MY COMMISSION EXPIRES AUGUST 29, 2017

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