

JUL 18 2017

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

IN THE MATTER OF THE AMENDED Cause No. 407 APPLICATION OF EXTRACTION OIL & GAS. INC. FOR AN ORDER ESTABLISHING AN Docket No. 170700491 APPROXIMATE 560 520-ACRE DRILLING AND SPACING UNIT AND Type: SPACING APPROXIMATE 720-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 6 NORTH, RANGE 67 WEST. 6TH P.M., WELD COUNTY, COLORADO.

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 establishing an approximate 560 520-acre drilling and spacing unit, establishing an approximate 720-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:

Applicant owns leasehold interests in the following lands ("Application 1. Lands"):

DSU No. 1

Township 6 North, Range 67 West, 6th P.M.

Section 2:

 $N^{1/2}$

Section 3:

NE1/4, E1/2E1/2NW1/4

DSU No. 2

Township 6 North, Range 67 West, 6th P.M.

Section 2: S½

Section 3: S1/2

Section 4:

E1/2SE1/4

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 January 27, 2014, the Commission entered Order No. 407-934, which pooled all interests in a designated Rule 318A horizontal wellbore spacing unit for the Simonsen 1i-421 Well (API No. 05-123-35976), which includes the W½W½ of Section 1, E½E½ of Section 2, NE¼NE¾ of Section 11, and the NW¼NW¾ of Section 12, Township 6 North, Range 67 West, 6th P.M. (the "Simonsen WSU") for the production of oil and gas from the Codell Formation. The Simonsen WSU will not be affected by the proposed drilling and spacing unit and will remain subject to Order No. 407-934 such that proceeds from the sale of oil or gas from that well shall continue to be distributed based on Order 407-934, and the Simonsen WSU will not share in production from the proposed drilling and spacing units.
- 4. On December 8, 2015, the Commission entered Order No. 407-1554, which pooled all interests in two designated Rule 318A horizontal wellbore spacing units for the Tailholt FD 11-002HN Well (API No. 05-123-38616) and the Tailholt FD 11-039HN Well (API No. 05-123-38579), which include the S½S½ of Section 2 and the N½N½ of Section 11, Township 6 North, Range 67 West, 6th P.M. (the "Tailholt WSUs"). The Tailholt WSUs will not be affected by the proposed drilling and spacing unit and will remain subject to Order No. 407-1554 such that proceeds from the sale of oil or gas from those wells shall continue to be distributed based on Order 407-1554, and the Tailholt WSUs will not share in production from the proposed drilling and spacing units.
- 5. On January 26, 2016, the Commission entered Order No. 407-1612, which subjected additional parties to Order No. 407-934 for the Simonsen WSU.
- 6. Applicant has drilled, tested and completed wells in the Codell and Niobrara Formations on lands in close proximity to the Application Lands.
- 7. For DSU No. 1, there are four horizontal wellbore spacing units which overlap the western boundary of the proposed unit but do not extend beyond the proposed unit boundary setback. The overlapping horizontal wellbore spacing units include the Mickey 1 (API No. 05-123-43853), Mickey 2 (API No. 05-123-43850), Mickey 3 (API No. 05-123-43852), Mickey 4 (API No. 05-123-43851), Mickey 5 (API No. 05-123-43855), Mickey 6 (API No. 05-123-43947), Mickey 7 (API No. 05-123-43846), Mickey 10 (API No. 05-123-43847), Mickey 11 (API No. 05-123-43848), Mickey 12

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(API No. 05-123-43845), and Mickey 13 (API No. 05-123-43854) (collectively, the "Mickey WSUs"). Applicant operates the Mickey Wells. The Mickey WSUs will not be affected by the proposed DSU No. 1 such that proceeds from the sale of oil or gas from those wells shall continue to be distributed based on the established Mickey WSUs, and the Mickey WSUs will not share in production from the proposed DSU No. 1.

- For DSU No. 2, there are five horizontal wellbore spacing units which overlap the western boundary of the proposed unit but do not extend beyond the proposed unit boundary setback. The overlapping horizontal wellbore spacing units include the Varra 2 (API No. 05-123-39982), Varra 3 (API No. 05-123-39884), Varra 4 (API No. 05-123-39883), Varra 5 (API No. 05-123-39985), Varra 6 (API No. 05-123-39989), Varra 7 (API No. 05-123-39987), Varra 8 (API No. 05-123-39988) Varra 9 (API No. 05-123-39986), Varra 10 (API No. 05-123-39990), Varra 11 (API No. 05-123-39991), and Varra 12 (API No. 05-123-39992), (collectively, the "Varra WSUs"). Applicant operates the Mickey Wells. The Varra WSUs will not be affected by the proposed DSU No. 2 such that proceeds from the sale of oil or gas from those wells shall continue to be distributed based on the established Varra WSUs, and the Mickey WSUs will not share in production from the proposed DSU No. 2.
- 9 There are two directional wells within the above-described drilling and spacing units producing from the Codell and/or Niobrara Formations. Applicant is the Operator 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.
- 10. To promote efficient drainage of the Codell and Niobrara Formations within the Application Lands and to avoid waste, the Commission should establish an approximate 560 520-acre drilling and spacing unit and an approximate 720-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:

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DSU No. 1

Township 6 North, Range 67 West, 6th P.M.

Section 2: $N\frac{1}{2}$

Section 3: NE1/4, E1/2E1/2NW1/4

DSU No. 2

Township 6 North, Range 67 West, 6th P.M.

Section 2: S½

S1/2

Section 3:

Section 4: E1/2SE1/4

- 11. Applicant is requesting to drill and complete one (1) horizontal well in each of the above-described drilling and spacing units with the option to drill and complete up to a total of eight (8) horizontal wells in each of the units 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.
- 12. For DSU No. 1, Applicant 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, regardless if such wellbores are governed by other spacing orders or contained within an adjacent or overlapping Rule 318A horizontal wellbore spacing unit, and no closer than 460 feet from the northern, southern, and eastern unit boundaries and 450 800 feet from the southern and western unit boundary boundaries, without exception being granted by the Director. Applicant is the working interest owner of the tracts adjacent to the southern and western unit boundary.
- 13. For DSU No. 2, Applicant 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, regardless if such wellbores are governed by other spacing orders or contained within an adjacent or overlapping Rule 318A horizontal wellbore spacing unit, and no closer than 460 feet from the northern, southern and eastern unit boundaries and 450 990 feet from the northern and western unit boundary boundaries, without exception being granted by the Director. Applicant is the working interest owner of the tracts adjacent to the northern and western unit boundary.
- 14. 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 units are not smaller than the maximum area that can be economically and efficiently drained by the authorized wells in such drilling and spacing units. Applicant further maintains that wells drilled in the above-proposed drilling and spacing units will have no adverse effect on correlative rights of adjacent owners. Applicant states that the proposed drilling and spacing units and number of wells will not have an adverse effect on public, health, safety, and welfare.
- 15. Applicant states that the wells will be drilled from one well pad located within the units and/or from a legal location on adjacent lands, without exception granted by the Director.
- 16. 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

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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.

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 **14th** day of **July**, 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 17th Street, Suite 5300 Denver, CO 80202

Attn: Ellen Brown, Landman

Phone: 720-557-8300

VERIFICATION

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

Ellen Brown, Landman with Extraction Oil & Gas, Inc., upon oath deposes and says that she 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.

Ellen Brown, Landman

Subscribed and sworn to before me this ______ day of July, 2017 by Ellen Brown, Landman for Extraction Oil & Gas, Inc.

Witness my hand and official seal.

Notary Public

My Commission Expires: 1/21/2018

JESSE NICOLE SCHMIDT

NOTARY PUBLIC

STATE OF COLORADO

NOTARY ID 20144002537

MY COMMISSION EXPIRES JANUARY 21, 2018

EXHIBIT A

INTERESTED PARTIES

Weld County Department of Planning Services

Troy Swain 1555 North 17th Avenue Greeley, CO 80631

Town of Severance

John C. Holdren 231 West 4th Avenue, P.O. Box 339 Severance, CO 80546

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

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EXHIBIT A

INTERESTED PARTIES

DSU No. 1: Section 2: N½ and Section 3: NE¼, E½E½NW¼, Township 6 North, Range 67 West, 6th P.M.

Sierra J. Moore

Ruth Barsch

Mona Kay Norton

Bruce Edward Lind

Alan William Lind

Heide R. Schupe

Luke L. Lind

Steven H. Lind

Janice K. Lind

Kenneth F. Lind

Kim Lind-Dorsey, as Personal

Representative of the Estate of Larry H.

Lind

Daniel F. Lind

Timothy Lind

David Lind

Polly Ann Kurtz n/k/a Polly Ann Winner

Corey J. Bushell

Melissa S. Eagan and Christopher H.

Eagan, joint tenants

Linda J. Myklestad

Christiana Trust, a Division of Wilmington

Savings Fund Society, FSB, not in its

individual capacity but as Trustee of the

ARLP Trust 2

Robert Frohman and Bruce R. Frohman.

ioint tenants

Lucas W. Krakow and Moranda R.

Krakow, joint tenants

Bertrand B. Kre

Brenda K. Scott

Cortney L. Alvarez

Bradley Poppie

Dustin R. Davis

Range View Partners, LP

TBK Bank, SSB

375 W. 4th AVE., LLC, a Colorado limited

liability company

D & K Development, LLC

Scotch Pine-Severance Owners

Association, Inc.

Town of Severance, a Colorado Statutory

Municipal Corporation

Q's Mart Inc., a Colorado corporation

Belfiore Properties LLC, a Colorado

Limited Liability Company

Hultgren Properties, LLC

386 Scotch Pine LLC. A Colorado Limited

Liability Company

David Matthew Koster and Alison

Christine Koster

Sarah J. Woodward

Matthew Pohlman

David Scott Paulson

Cheryl L. Thompson

Tyler J. Sheer and Brittany N. Sheer

Timothy J. Carsrud & Jessica J. Carsrud

Timothy J. Carsrud & Jessica J. Carsrud

Richard D. Shunk & Marna R. Shunk

Richard D. Shunk & Marna R. Shunk

Artis Jean Banghart, Craig A. Banghart

Robert C. Brady

Cathy M. Brady

Becky A. Worman and Zachary H.

Worman

Donna M. Wagner

Lloyd L. Winder and Lucille E. Winder

Kevin P. Bach

Judy A. Walton

Judy A. Walton

Aaron M. Burd and Jamie A. Burd

Dennis G. Porter

Caleb Dean Catlett and Amanda Catlett

Shannon K. Miller

Jason M. Miller

Jay Murrell

Shawna M. Pehrson and Corev R.

Pehrson

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Wesley Carl Howland and Rachael Ann Howland Thomas W. Seaberg William T. Kellogg Barbara J. Severidt and Jerry L. Severidt and Julie A. Severidt, joint tenants Sauk Investments, LLC (Minerals) Christine M. Krause and Rick A. Krause. ioint tenants Brandon Lenoir and Sadie Lenoir, joint tenants Toni Schindler Zimmerman Brian D. Coe and Stephanie Jean Kaus Coe, joint tenants Daniel Vogel Great Western Trail Authority Kenneth R. Meintzer and Sandra L. Lueth, joint tenants Caci J. Schulte Amy Y. Anthony, Emma Reyes, Jose Reyes, Jr., joint tenants Rvan Guinn Michael T. Grantham and Tonia E.

Grantham, joint tenants

Deni Sellers Peter S. Moldauer and Sorcha I. Moldauer, joint tenants Michael Collins George V. Hill and Karlee N. Hill, joint tenants TAP Properties, Ltd. Angela Lang Tyler M. Hoerner and Emily M. Hoerner, ioint tenants Dylan Porteous Timber Ridge Resources, LLC, a Colorado limited liability company Violetta Morales and Elizabeth Morales. joint tenants Jim L. Ells David R. Ashley Janet Ashley Brunk PDC Energy Grizzly Petroleum SRC Resources Kerr McGee Corporation

DSU No. 2: Section 2: S½, Section 3: S½, and Section 4: E½SE¼, Township 6 North, Range 67 West, 6th P.M.

Mountaintop Minerals LLC Alex R. Hull & Jenae K. Hull, as Joint Tenants April C. Greer and Eric W. Michael, as Joint Tenants Chris Kapperman and Kristin Tanner Christopher Chavez and Marti Jo Griffith, Joint Tenants Walter Eskridge and Evelyn Eskridge, husband and wife Timothy R. Fordahl and Terri K. Fordahl, Husband and Wife Michael R. Steigerwald Daniel Spieker Jason A. Owens Cameron W. Louie and Alicia K. Louie, J/T

Jason E. Brownhill and Jennifer L. Sumner-Brownhill, J/T Seth T. Luedtke and Christina R. Luedtke, J/T

Heirs of Paul A. Hamilton - Lillian Hamilton
KCM Family Investments, LLC
Paul Lind and Florence O Lind
The Estate of Benjamin H. Eaton
Keith A. Rangel and Brenda P. Rangel
PDC Energy
Kerr McGee Corporation
Cornerstone Energy
J. Annette Menzel
William V. Maddux Revocable Trust
Grizzly Petroleum

ICE MAN 36-N PAD MAVERICK 1-N PAD DRILLING AND SPACING UNIT

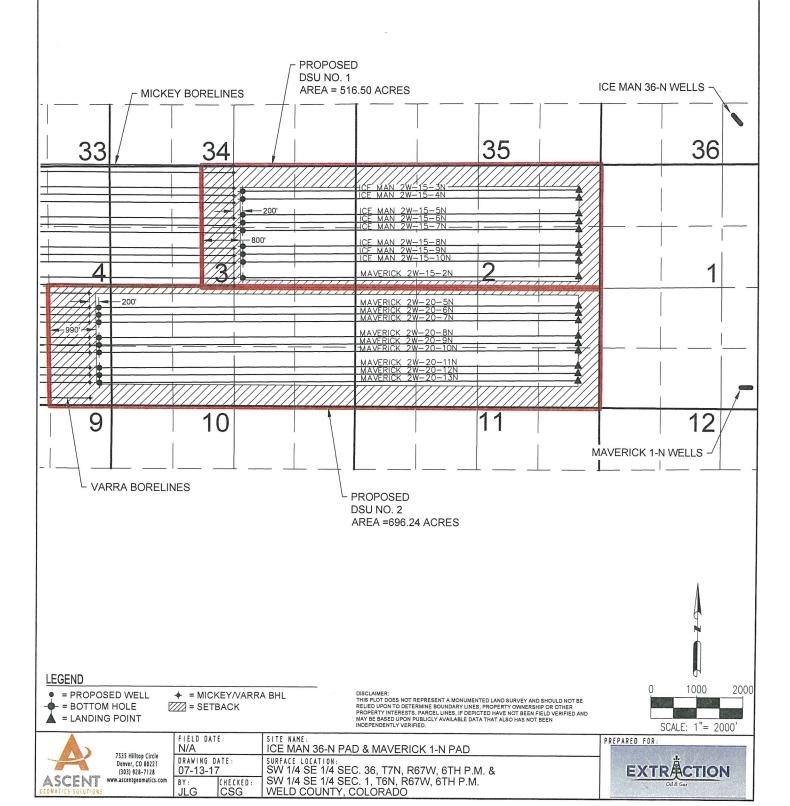
DSU NO. 1 - SEC 2: N2

SEC 3: NE4 & E2E2NW4

DSU NO. 2 - SEC 2: S2

SEC 3: S2

SEC 4: E2SE4



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

IN THE MATTER OF THE AMENDED) Cause No. 407
APPLICATION OF EXTRACTION OIL & GAS,)
INC. FOR AN ORDER ESTABLISHING AN) Docket No. 170700491
APPROXIMATE 560 520-ACRE DRILLING)
AND SPACING UNIT AND AN) Type: SPACING
APPROXIMATE 720-ACRE DRILLING AND	·)
SPACING UNIT AND ESTABLISHING WELL)
LOCATION RULES APPLICABLE TO THE)
DRILLING AND PRODUCING OF WELLS)
FROM THE CODELL AND NIOBRARA) v
FORMATIONS COVERING CERTAIN LANDS)
IN TOWNSHIP 6 NORTH, RANGE 67 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 July 21, 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 <u>Exhibit A</u> to the Application.

Joseph C. Pierzchala

Subscribed and sworn to before me July 26, 2017.

Witness my hand and official seal.

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

Mulissa D. Moc men.
Notary Public

My commission expires: 2/20/12017