

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

IN THE MATTER OF THE APPLICATION) Cause No. 407
OF EXTRACTION OIL & GAS, INC. FOR)
AN ORDER AMENDING ORDER NO. 407-) Docket No. 170900602
1795 AND ESTABLISHING WELL)
LOCATION RULES APPLICABLE TO THE) Type: SPACING
DRILLING AND PRODUCING OF WELLS)
FROM THE CODELL AND NIOBRARA)
FORMATIONS COVERING CERTAIN)
LANDS IN TOWNSHIP 1 SOUTH, RANGE)
68 WEST, 6TH P.M., ADAMS AND)
BROOMFIELD COUNTIES, COLORADO.)

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 amending Order No. 407-1795 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 and Broomfield Counties, Colorado. In support of its Application, Applicant states as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, is a registered operator in good standing, and owns leasehold interests in the following lands ("Application Lands"):

- Township 1 South, Range 68 West, 6th P.M.
Section 9: All
Section 16: 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, corrected December 8, 2016, the Commission entered Order No. 407-1795, which established an approximate 1,280-acre drilling and spacing unit for Sections 9 and 16, 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 with the productive interval of each wellbore to be located no closer than 150 feet from the productive interval of any other wellbore producing from the Codell and Niobrara Formations and no closer than 460 feet from the unit boundary, unless an exception is granted by the Director. The Application Lands are subject to this Order for the Codell and Niobrara Formations.

4. To promote efficient drainage of the Codell and Niobrara Formations within the Application Lands, to avoid waste, and protect correlative rights, the Commission should amend Order No. 407-1795 and modify the unit boundary setbacks within the established 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 South, Range 68 West, 6th P.M.
Section 9: All
Section 16: All

5. Applicant is requesting that the setbacks established in Order No. 407-1795 be modified such that the treated interval of each wellbore be located 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 southern unit boundary and 150 feet from the northern, eastern, and western unit boundaries, without exception being granted by the Director.

6. On May 25, 2017, amended June 28, 2017, Applicant filed a verified application in Docket No. 170700470 for an order to vacate Order Nos. 407-1794, 407-1825, and 407-1826 and establish an approximate 1,360-acre drilling and spacing unit for E $\frac{1}{2}$ of Section 33 and the W $\frac{1}{2}$ of Section 34, Township 1 North, Range 68 West, 6th P.M. and the W $\frac{1}{2}$ of Section 3 and the E $\frac{1}{2}$ and E $\frac{1}{2}$ E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 4, Township 1 South, Range 68 West, 6th P.M. for the Codell and Niobrara Formations with up to twenty (20) wells within the unit with the treated interval of each wellbore to be located 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 the northern and western unit boundaries and 150 feet from the eastern and southern unit boundaries, without exception being granted by the Director.

7. As it respects the present Application, the application in Docket No. 170700470 requests a reduced unit boundary setback of 150 feet along the southern boundary, which abuts the northern boundary of the present Application's proposed drilling and spacing unit, for which the Application requests a reduced unit boundary setback of 150 feet. Thus, the two proposed drilling and spacing units would share a

reciprocal unit boundary setback of 150 feet, thereby preventing waste and protecting correlative rights within each proposed unit.

8. Applicant has drilled, tested and completed wells in the Codell and Niobrara Formations on lands in the vicinity of the Application Lands. Based on the results of those wells, Applicant believes the requested modified setbacks will allow the efficient and economic development of the Application Lands, will prevent waste, and protect correlative rights.

9. Applicant maintains that the requested amended setbacks will allow the most efficient drainage of the Codell and Niobrara Formations, prevent waste, protect correlative rights, and assure the greatest ultimate recovery of oil, gas and associated hydrocarbon substances from the Codell and Niobrara Formations. The requested amended setbacks will not result in the drilling and spacing unit becoming 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 the proposed amended setbacks for the established drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.

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 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 13th day of July, 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 17th Street, Suite 5300
Denver, CO 80202
Attn: Jason Rayburn, Landman
Phone: 720-557-8300

VERIFICATION

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

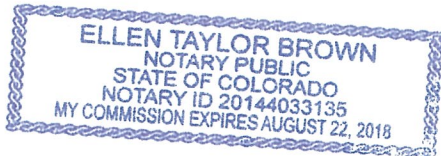
Jason Rayburn, Landman with Extraction Oil & Gas, Inc., upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

EXTRACTION OIL & GAS, INC.

Jason Rayburn, Landman

Subscribed and sworn to before me this 13th day of July, 2017 by Jason Rayburn, Landman for Extraction Oil & Gas, Inc.

Witness my hand and official seal.



ETB

Notary Public
My Commission Expires: 8/22/18

EXHIBIT A

INTERESTED PARTIES

City and County of Broomfield

Tami Yellico
One DesCombes Drive
Broomfield, CO 80020

Adams County

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

City of Westminster

Dave Loseman
4800 92nd Avenue
Westminster, CO 80031

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

Kent D Kettering and Patricia A.
Kettering, Husband and Wife
Joyce D. Lang, Personal Representative
of the Estate of Donald A. Lang,
deceased (88-PR-6, Jefferson County,
Colorado)
Wallace Hyron Lang
Estate of Marvin V. Lang, deceased
Rebecca Lynn Straughan
Eleanor May Shotton
Harriet Jean McGuire
Beverly Ann Edmond
Breck Torell Higgins
Dawn Marie Basko
Joyce D. Lang, Personal Representative
of the Estate of Anna Selma Lang,
deceased (92-PR-774, Denver County,
Colorado)
Viet Hoang
Lisa Duke Carlson
Jeanie D. Carlson
North Huron, Ltd., Gale T. Weidner, Jr.,
General Partner
Emily Robinson
The Robert L. Robinson and Emily
Robinson Family Bypass Trust Created
Under the Robert L. Robinson and Emily
Robinson Trust, U.A.D. December 2,
1996
Clifford R. Schertz Living Trust, dated
6/13/2007
Nadine I. Schertz Living Trust, dated
6/13/2007
Robert A. Hirneisen and Ramonda S.
Hirneisen
Alvin D. Ehmen and Reva J. Ehmen
Estate of Louis J. DiPace, deceased
Richard W. Somers and Janice E.
Somers
Bradley J. Peters and Sammie F. Peters
Virginia Lee Greenwalt-Belmain, Trustee
of the Robert Henry Belmain Tax

Exemption Trust established 3/25/1997,
created under the Robert Henry Belmain
Revocable Trust dated 7/23/1994
Chester L. Simcik, Sr. and Adrienne R.
Simcik, Joint Tenants
John B. Hosking and Julie A. Hosking,
Joint Tenants
Beneficiaries include: Joanne Marie Bila,
Taylor May Hosking and Chelsea Ann
Hosking
Daniel K. Organ and Connie C. Organ
Richard J. Rush and Monna Loray Rush
Justin D. Antus
Jeffrey Seger and Kristin R. Seger
David Talder
Myra Talder
The Gloria A. Royce Trust dated
February 26, 2016
City of Westminster
John Jay Menger and Mary F. Menger
The LPL Family Trust dated 5/20/2015
Danny L. Prentice and Lea Ann Prentice
Mary J. Chopyak
J. Eddale Bulkley and Marlowe D. Bulkley
Lorin P. Marco and Jill Anne Stone Marco
Harry R. Stone and Virginia Elaine Stone
Angelo R. Ortiz and Jamie L. Ortiz
Randy L. Bartholomew and Beverly L.
Bartholomew
The Brown Family Revocable Trust dated
6/23/1998
Estate of Kenneth B. Stone, deceased
The Nguyen Hoang Family Trust dated
June 2, 2015
Hulstrom Family Property, LLC
Estate of Edna Mae Hulstrom, deceased
(10/17/1999)
Adams County
Edith Jean Chavers
Jared K. Melius and Jan Melius
Henry Sahlieh and Valerie A. Sahlieh
James L. Scott and Wanda L. Scott

Connie L. Reeves
Karen Fay Tellingner
Scott L. Robinson and Barbara A.
Robinson
Kelly Robinson and Sandra E. Robinson
Donald W. Hedenskog and Marietta E.
Hedenskog
BJJ Properties, LLC, Brian Carr,
Managing Member
City of Westminster
Peter L. Poses
Brodie Kirby and Andrea R. Kirby, Joint
Tenants
Jerry W. Anderson
Kevin Van Doren and Lovonda Van
Doren
Suncha Faussett
Robert H. Chadwick and Janet C.
Chadwick
John D. Oakley
Luis M. Silva and Elsa Silva
William E. Wall and Lynn R. Wall
David A. Ray and Belinda S. Ray
Angela R. Perruzza and Steve C.
Perruzza
Kenneth Christgen and Joan Greer-Hill
James Depaul and Teresa L. Depaul
Michael McCord and Amber McCord
Michael Hodges and Nancy Hodges
Brian W. Lawrence and Bonita B.
Lawrence
Steven Russell and Donna Russell
Diana K. Tuttle
Paul W. Ficken and Ruth Ann Ficken
Garry T. Anderson and Janet L Anderson
Joseph Kensil

Gary L. Gaglia and Leona Gaglia
John P. Casey and Erin M. Casey
Todd McKenney and Andrea McKenney
David L. Malysa and Jacqueline A. Daily
Malysa
Larry F. Nussbaumer and Mary Ann
Nussbaumer
Matthew Otness and Annika H. Otness
Bill T. Maypole and Joanne L. Maypole
Terry D. Bender and Julanne R. Bender
Larry D. Wambolt and Julie M. Wambolt
Michael Sandstrum and Kathleen
Sandstrum
Reagan Goodnight
Dorothy C. Rivera
Silver Oaks Homeowners Association
Jalal Fakharzadeh
Philip S. James II and Kelly A. Steck-
James
Deloris A. Pitard
Richard W. Somers and Janice E.
Somers, Joint Tenants
Joshua Ryan Churchley and Whitney
Rae Churchley
Joseph Andrew Legare
Jean K. Troutman
Margaret B. Kefalas
City of Westminster
Ronald G. Hill and Mitzie E. Hill
Christina A. Wagner and Robert R.
Wagner
Patrick A. Tyler and Kozue K. Tyler and
Patricia L. Tyler
Kevin O. Butler and Associates, Inc.
Martin Exploration Management
Company

Exhibit B

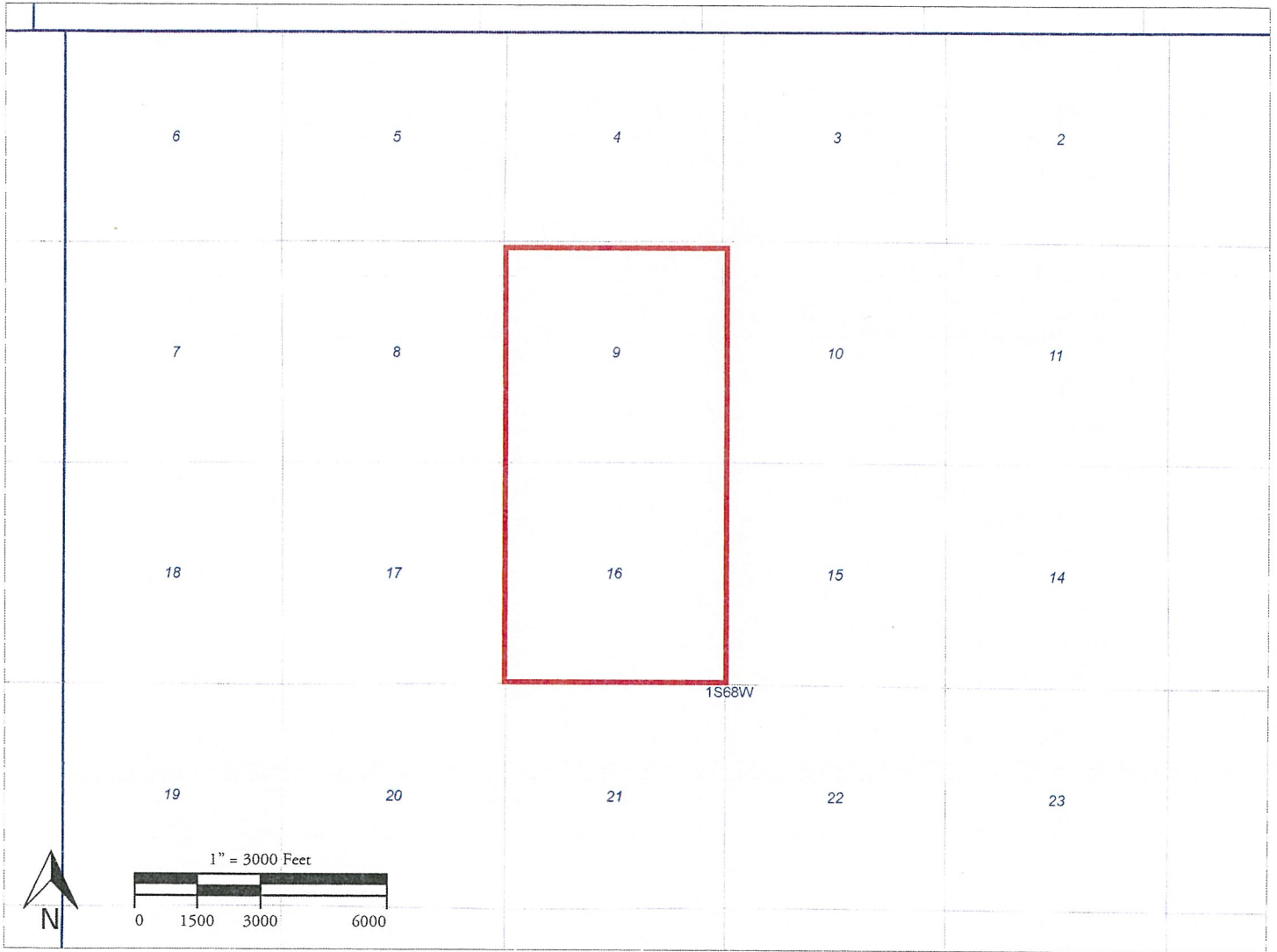
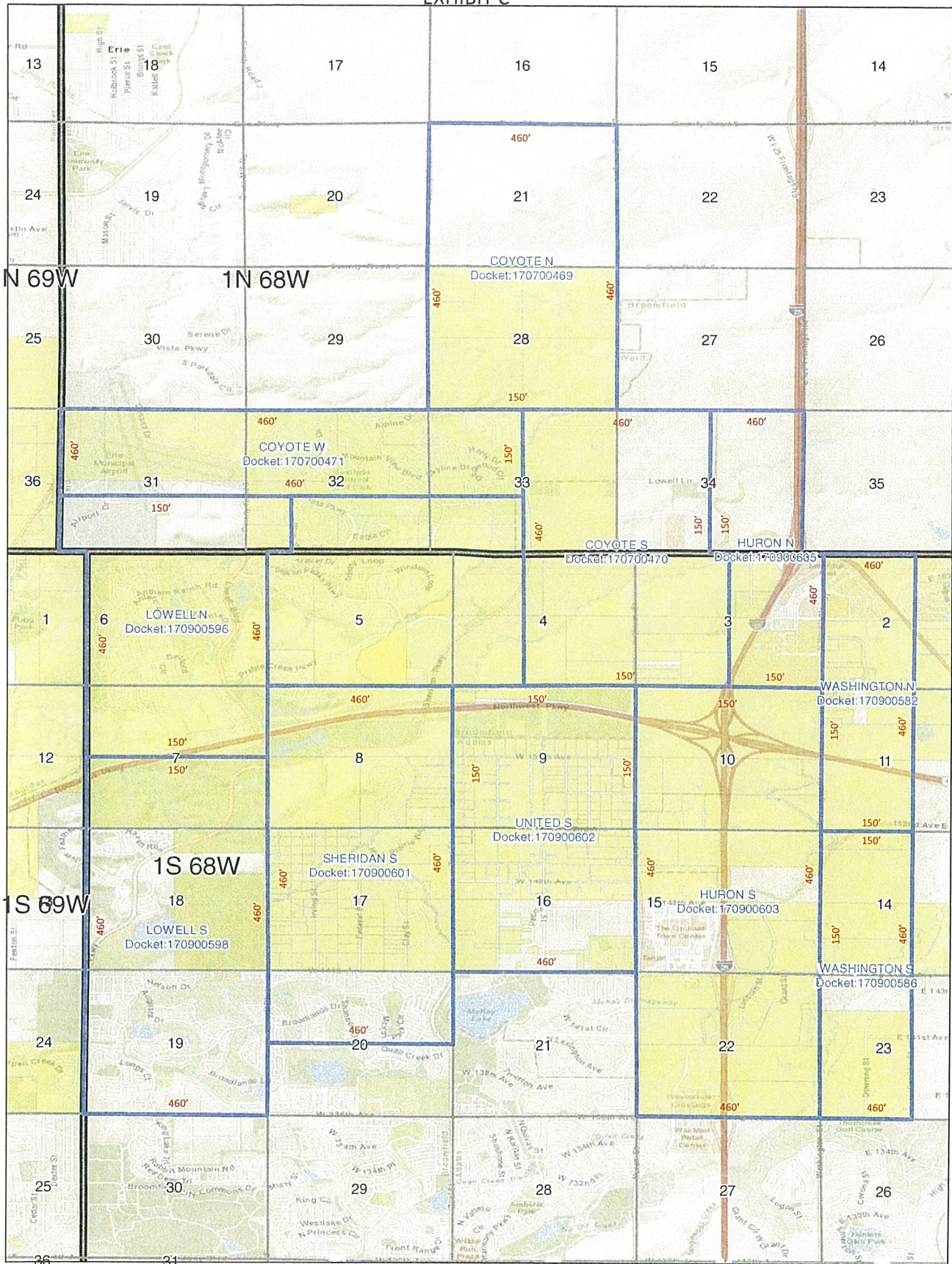


EXHIBIT C



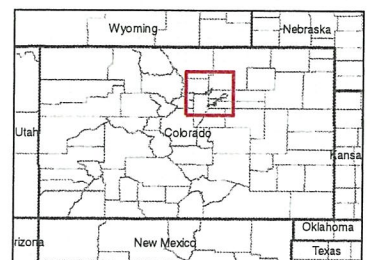
EXTRACTION
Oil & Gas
Broomfield Proposed Spacing
Docket Numbers

Scale: 1:39,600 PRJ:GCS NAD83
Date: 7/18/2017 Author: ECP

Legend

- Proposed Spacing Unit
- Extraction Leasehold

Service Layer Credits: Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri China (Hong Kong), Swisstopo, TomTom, Magellan, © OpenStreetMap contributors, and the GIS User Community



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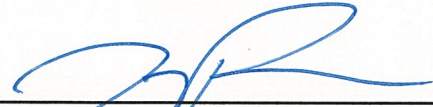
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68 WEST, 6TH P.M., ADAMS AND)	
BROOMFIELD COUNTIES, COLORADO.)	

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 July 20, 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.

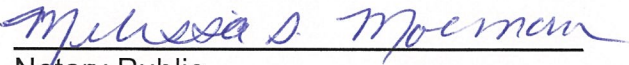


 Joseph C. Pierzchala

Subscribed and sworn to before me 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



 Notary Public

My commission expires: 8/29/2017