

**BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF AN **AMENDED** APPLICATION
BY EXTRACTION OIL & GAS INC. FOR AN ORDER
TO, AMONG OTHER THINGS, AMEND CERTAIN
PORTIONS OF ORDER NO. 407-1958 PERTAINING
TO DRILLING AND SPACING UNIT NO. 3
ESTABLISHED THEREIN, FOR HORIZONTAL WELL
DEVELOPMENT OF THE CODELL AND NIOBRARA
FORMATIONS, WATTENBERG FIELD, WELD
COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 171000696

TYPE: SPACING

AMENDED APPLICATION

Extraction Oil & Gas Inc., Operator No. 10459 ("Extraction" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this **Amended** Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to amend Order No. 407-1958, as it relates to the legal description of Drilling and Spacing Unit No. 3 established for the development and operation of the Codell and Niobrara Formations. In support of its **Amended** Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and has registered as an operator with the Commission.

2. Applicant is an owner in the below-listed lands:

Township 2 North, Range 68 West, 6th P.M.

Section 6: S½

Section 7: All

Section 18: N½, SE¼

1,440 acres, more or less, Weld County, Colorado.

These lands are hereinafter referred to as the "**Amended** Application Lands" and depicted in Exhibit A attached hereto.

3. On April 27, 1998, the Commission adopted Rule 318A., which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A. was amended to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A. was again amended to, among other things, address drilling of horizontal wells. The **Amended** Application Lands are subject to certain portions of Rule 318A.

4. On or about February 19, 1992 (amended August 20, 1993), the Commission entered Order No. 407-87, which, among other things, established 80-acre

drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formations. The **Amended** Application Lands are subject to Order No. 407-87.

5. On or about May 16, 2017, the Commission entered Order No. 407-405, which, among other things, established an approximate 320-acre wellbore spacing unit for the S½ of Section 18, Township 2 North, Range 68 West, 6th P.M., and authorized the drilling of one horizontal well within the unit (to accommodate the planned Williams #3A-198H Well (**API No. 05-123-33423**)), for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore to be located no closer than 460 feet from the boundary of the unit, without exception being granted by the Director of the Commission. Portions of the **Amended** Application Lands are subject to Order No. 407-405.

6. The online records maintained by the COGCC indicate that eleven (11) vertical or directional wells are currently producing in the **Amended** Application Lands, as depicted below:

API No.	Operator	Well Name	Q/Q	SEC	TWN	RNG	Formation
05-123-11075	Top Operating Co. ¹	MAYEDA, JOHN Y. 2	SESESW	436	2N	69W 68W	JSND JNCD
05-123-20093	Top Operating Co.	EVANS 6	NESESW	437	2N	69W 68W	JSND JNCD
05-123-10814	Top Operating Co.	POWELL 1	NWNW SESE	447	2N	69W 68W	NB-CD JSND
05-123-23886	Top Operating Co.	SHERWOOD 1	NENE SENW	2418	2N	69W 68W	JNCD
05-123-23908	Top Operating Co.	SHERWOOD 2	NESENW	2418	2N	69W 68W	JNCD
05-123-10290	Top Operating Co.	SERAFINI GAS UNIT #1	NWENE	2418	2N	69W 68W	JNCD JSND
05-123-23568	Crestone Peak ⁴²	WILLIAMS #43-18	NWESE	2418	2N	69W 68W	JNCD
05-123-24532	Crestone Peak	WILLIAMS 34-18	SENWSE	2418	2N	69W 68W	J-CDL JNCD
05-123-24542	Crestone Peak	WILLIAMS 33-189	SENWSE	2418	2N	69W 68W	JNCD
05-123-19113	Crestone Peak	WILLIAMS 18-16	SESWE	2418	2N	69W 68W	JSND JNCD
05-123-23019	Top Operating Co.	CITY OF LONGMONT 1	SWNE	2418	2N	69W 68W	JNCD JSND

Applicant hereby confirms that each of these wells shall remain subject to applicable spacing orders and/or rules of the Commission, and shall not be affected by Applicant's requested relief under this **Amended** Application. Proceeds from the sale of oil or gas from these wells shall continue to be distributed based on the applicable spacing orders and/or rules for these wells.

¹ **Top Operating Company FDBA Murray J Herring LTD**

⁴² Crestone Peak Resources Operating LLC

Amending Order No. 407-1958 to Include the SE¼ of Section 18 of the Amended Application Lands in DSU No. 3

7. The **Amended** Application Lands are subject to Order No. 407-1958, which, among other things, established an approximate 1,280-acre drilling and spacing unit (DSU No. 3) for the S½ of Section 6, all of Section 7, and the N½ of Section 18, Township 2 North, Range 68 West, 6th P.M., for horizontal development and authorized the drilling of up to twenty (20) wells within the drilling and spacing unit, for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations.

8. Applicant requests that the Commission amend Order No. 407-1958, but only as to DSU No. 3, to include the SE¼ of Section 18, Township 2 North, Range 68 West, 6th P.M. in DSU No. 3, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

9. Applicant requests that setback and location requirements for the **Amended** Application Lands be as follows:

a. For any permitted wells to be drilled under this **Amended** Application, the treated intervals of the wellbore should be not less than 460 feet from the unit boundaries with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Codell and Niobrara Formations, without exception being granted by the Director.

b. Any horizontal wells to be drilled under this **Amended** Application for production from the Codell and Niobrara Formations will be drilled from the surface of the drilling unit, or on adjacent lands with consent of the landowner, from no more than three (3) surface locations, unless an exception is granted by the Director

10. Applicant requests that relief granted under this **Amended** Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.

11. The granting of this **Amended** Application is in accord with the Oil and Gas Conservation Act, found at §§34-60-101, *et seq.*, C.R.S., and the Commission rules.

12. The undersigned certifies that copies of this **Amended** Application will be served on each interested party as required by Rule 507 within seven (7) days of the filing hereof, as required by Rule 503.e.

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:

A. Amending Order No. 407-1958, but only as to DSU No. 3, to include the SE¼ of Section 18 in said DSU No. 3 for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

B. That for any permitted wells to be drilled under this **Amended** Application, the treated intervals of the wellbore should be not less than 460 feet from the unit boundaries with an inter-well setback of not less than 150 feet from the treated interval of a well producing from the Codell and Niobrara Formations, without exception being granted by the Director.

C. That any horizontal wells to be drilled under this **Amended** Application for production from the Codell and Niobrara Formations will be drilled from the surface of the drilling unit, or on adjacent lands with consent of the landowner, from no more than three (3) surface locations, unless an exception is granted by the Director.

D. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 19th day of ~~August~~September, 2017.

Respectfully submitted,

EXTRACTION OIL & GAS INC.

By: Jobediah J. Rittenhouse
Jillian Fulcher
Jobediah J. Rittenhouse
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499
jfulcher@bwenergylaw.com
jrittenhouse@bwenergylaw.com

Address of Applicant
Extraction Oil & Gas Inc.
ATTN: Jason Rayburn
370 17th Street, Suite 5300
Denver, Colorado 80202

VERIFICATION

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

Jason Rayburn, Landman for 8 North LLC, 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.

8 NORTH LLC

Jason Rayburn

Subscribed and sworn to before me this 19th day of SEPTEMBER, 2017, by Jason Rayburn, Landman for 8 North LLC.

Witness my hand and official seal.

My commission expires: 1/4/21

ANNE MICHELLE PIERINI Notary Public State of Colorado Notary ID # 20124036744 My Commission Expires 01-04-2021
--

Anne Pierini

Notary Public

Exhibit A

Reference Map for Amended Application

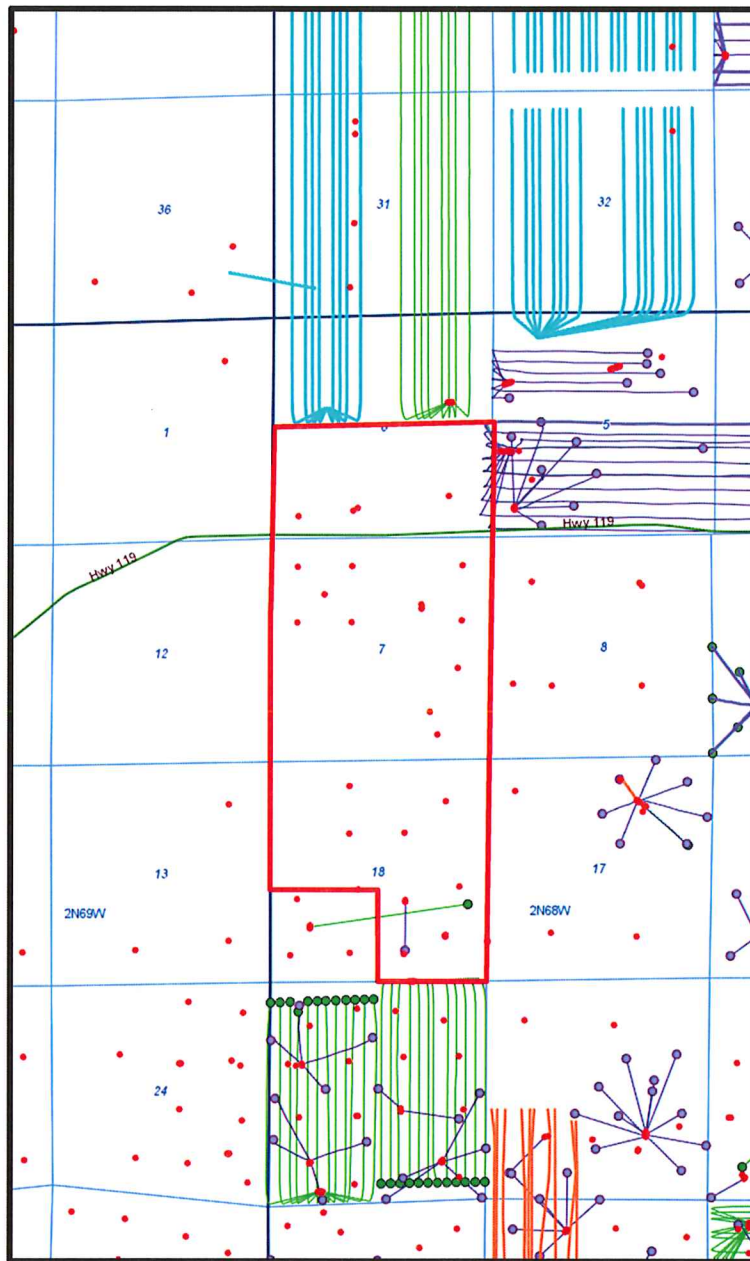
Township 2 North, Range 68 West, 6th P.M.

Section 6: S½

Section 7: All

Section 18: N½, SE¼

1,440 acres, more or less, Weld County, Colorado



 = Amended Application Lands

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

IN THE MATTER OF AN **AMENDED** APPLICATION
BY EXTRACTION OIL & GAS INC. FOR AN ORDER
TO, AMONG OTHER THINGS, AMEND CERTAIN
PORTIONS OF ORDER NO. 407-1958 PERTAINING
TO DRILLING AND SPACING UNIT NO. 3
ESTABLISHED THEREIN, FOR HORIZONTAL WELL
DEVELOPMENT OF THE CODELL AND NIOBRARA
FORMATIONS, WATTENBERG FIELD, WELD
COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 171000696

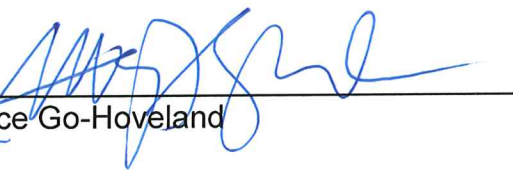
TYPE: SPACING

AFFIDAVIT OF MAILING

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

Grace Go-Hoveland, of lawful age, and being first duly sworn upon her oath,
states and declares:

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Extraction
Oil & Gas, Inc., and on or before the 26th day of September, 2017, caused a copy of
the attached Amended Application to be deposited in the United States Mail, postage
prepaid, addressed to the parties listed on Exhibit A attached hereto.



Grace Go-Hoveland

Subscribed and sworn to before me this 19th day of September, 2017.

Witness my hand and official seal.



Notary Public

TERESA L. PETERSON
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19894002026
MY COMMISSION EXPIRES OCT. 4, 2017

EXHIBIT A

INTERESTED PARTIES

BRANDON MARETTE, ENERGY LIAISON
COLORADO PARKS AND WILDLIFE
NORTHEAST REGION OFFICE
6060 BROADWAY
DENVER, CO 80216

CRESTONE PEAK RESOURCES
1801 CALIFORNIA ST., SUITE 2500
DENVER, CO 80202

KENT KUSTER
OIL & GAS CONSULTANT COORDINATOR
COLORADO DEPARTMENT OF
PUBLIC HEALTH & ENVIRONMENT
4300 CHERRY CREEK DRIVE SOUTH
DENVER, CO 80246-1530

TROY SWAIN
WELD COUNTY
DEPARTMENT OF PLANNING SERVICES
1555 NORTH 17TH AVENUE
GREELEY, CO 80631