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

IN THE MATTER OF AN APPLICATION BY EXTRACTION OIL & GAS, INC. FOR AN ORDER **POOLING** ALL **INTERESTS** IN THREE APPROXIMATE 354.99-ACRE DESIGNATED HORIZONTAL WELLBORE SPACING UNITS FOR CAUSE NO. 407 CERTAIN PORTIONS OF SECTIONS 34 AND 35, TOWNSHIP 5 NORTH, RANGE 68 WEST, 6TH P.M. AND CERTAIN PORTIONS OF SECTION 3, TOWNSHIP 4 NORTH, RANGE 68 WEST, 6TH P.M., FOR THE DEVELOPMENT/OPERATION OF THE CODELL AND NIOBRARA FORMATIONS. WATTENBERG FIELD, LARIMER AND WELD COUNTIES, COLORADO

DOCKET NO.

TYPE: POOLING

### **APPLICATION**

Extraction Oil & Gas, Inc., Operator No. 10459 ("Extraction" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order pooling all interests in three approximate 354.99-acre horizontal wellbore spacing units established for certain portions of Sections 34 and 35, Township 5 North, Range 68 West, 6th P.M. and certain portions of Section 3, Township 4 North, Range 68 West, 6th P.M., for the development and operation of the Codell and Niobrara Formations. In support of its Application, Applicant states and alleges as follows:

- 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 5 North, Range 68 West, 6th P.M.

Section 34: S½S½

Section 35: SW1/4SW1/4

Larimer County, Colorado

Township 4 North, Range 68 West, 6th P.M.

Section 3: N½N½

Weld County, Colorado, 354.99 acres, more or less Wellbore Spacing Unit ("WSU") Nos. 1-3.

These lands are hereinafter collectively referred to as the "Application Lands" and

depicted in Exhibit A, attached hereto.1

- 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 Application Lands are subject to Rule 318A.
- 4. Upon information and belief, Applicant designated three approximate 354.99-acre horizontal wellbore spacing units comprised of certain portions of the Application Lands, for the below-described wells, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations. Applicant notified all owners in the proposed wellbore spacing units pursuant to Rule 318A.e.(5). Applicant did not receive objections to the establishment of the proposed horizontal wellbore spacing units within the 30-day response period:
  - a. Jesser 3E-10-1N Well (API No. 05-123-45661) Niobrara Formation WSU #1;
  - b. Jesser 3E-10-2C Well (API No. 05-123-45658) Codell Formation WSU #2;
  - c. Jesser 3E-10-3N Well (API No. 05-123-45666) Niobrara Formation WSU #3.

These wells are hereinafter collectively referred to as the "Subject Wells."

- 5. Acting pursuant to the relevant provisions of §34-60-116(6) & (7), C.R.S., and Rule 530., Applicant seeks an order pooling all interests, including, but not limited to, any nonconsenting interests, in WSU Nos. 1-3 established for the Application Lands, for the development and operation of the Codell and Niobrara Formations.
- 6. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Wells within WSU Nos. 1-3.
- 7. Further, Applicant requests that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Subject Wells, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Wells.
  - 8. The granting of this Application is in accord with the Oil and Gas

<sup>&</sup>lt;sup>1</sup> The Application Lands contain irregular lots. Accordingly, the acreage comprising the wellbore spacing units has been modified to reflect the presence of irregular quarter-quarter sections.

Conservation Act, found at §§34-60-101, et seq., C.R.S., and the Commission rules.

- 9. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.
- 10. The undersigned certifies that copies of this 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, the Commission enter its order:

- A. Pooling all interests in WSU Nos. 1-3 established for the Application Lands, for the development and operation of the Codell and Niobrara Formations, effective as of the earlier of the date of this Application, or the date that the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Wells within WSU Nos. 1-3.
- B. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Subject Wells, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date the costs specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Wells.
- C. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this <u>\gamma\_8</u> day of January, 2018.

Respectfully submitted,

EXTRACTION OIL & GAS, INC.

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

### **VERIFICATION**

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

Jason Rayburn, Staff Landman for 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

Subscribed and sworn to before me this \_\_\_\_ day of January, 2018, by Jason Rayburn, Staff Landman for Extraction Oil & Gas Inc.

Witness my hand and official seal.

My commission expires:

Notary Public

Alex Andrya Ross Notary Public of Colorado Commission # 20144025566 Commission Expires 06/27/2018

# **EXHIBIT A**

Reference Map for Pooling Application

Township 5 North, Range 68 West, 6th P.M.

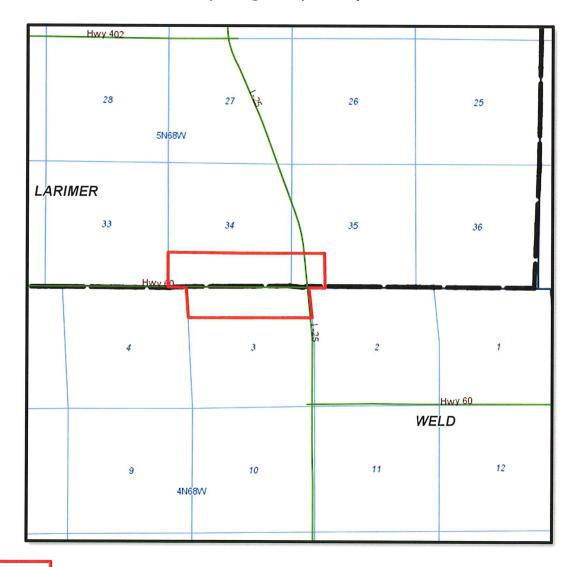
Section 34: S½S½
Section 35: SW¼SW¼

Larimer County, Colorado

Township 4 North, Range 68 West, 6th P.M.

Section 3: N½N½

Weld County, Colorado, 354.99 acres, more or less *Wellbore Spacing Unit ("WSU") Nos. 1-3*.



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CAUSE NO. 407

DOCKET NO. 180300165

TYPE: POOLING

# AFFIDAVIT OF MAILING

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

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 January 2, 2018, 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 attached hereto. Application was resent to all parties on January 31, 2018.

Grace Go-Hoveland

Subscribed and sworn to before me this / day of February, 2018.

Witness my hand and official seal.

Notary Public

AIDA LINDA BOWLIN **Notary Public** State of Colorado Notary ID 19984012218 My Commission Expires May 1, 2018

### **EXHIBIT A**

#### INTERESTED PARTIES

The names and addresses of the interested parties (persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant are set forth in this Exhibit A.

MARK V. GREGG AND DIANE D. GREGG 811 N. 7TH STREET RED OAK, IA 51566

PULLIAM NON-EXEMPT FAMILY TRUST U/A 1-23-87 4977 HOMESTEAD ST LITTLETON, CO 80123

DUNKLEE COMPANY, LP NO 10 JUNIPER LANE DOVER, MA 02030

STRATEGIC ENERGY INCOME FUND IV LP ATTN: KEVIN SULLEY, US ENERGY 1521 N COOPER STREET, SUITE 700 ARLINGTON, TX 76011

DONZA LEONA ANSON, HEIR TO THE ESTATE OF ELIZABETH P. NIEBOR 6320 14TH ST. W. LOT 3 BRADENTON, FL 34207

BRENDA JIMENEZ 15491 COUNTY ROAD 12 FT. MORGAN, CO 80701

STEVE GRAHAM 4752 RICHARD ST NE SALEM, OR 97305

R. SCOTT MURDOCK, A SINGLE PERSON 3550 S. COUNTY ROAD 5 LOVELAND, CO 80537

WENTZEL ENERGY PARTNERS LLC 999 TECH ROW MADISON HEIGHTS, MI 48071

TTEC ENERGY LLC 215 W. BANDERA RD., STE 114-608 BOERNE, TX 78006

MELVIN AND JOANN FLASCHENRIEM, AS JOINT TENANTS 3400 EAST HIGHWAY 60 LOVELAND, CO 80537 DORCAS MARY VAUGHAN & DURKEE MCTERNAN 2609 RIGEL DRIVE COLORADO SPRINGS, CO 80906

SRC ENERGY LLC 1625 BROADWAY SUITE 300 DENVER, CO 80202

TEKTON ENERGY LLC 200 PLAZA DRIVE, SUITE 100 HIGHLANDS RANCH, CO 80129

DJ PARTNERS LLC 9033 E. EASTER PL., STE 112 CENTENNIAL, CO 80112

KERR-MCGEE OIL & GAS ONSHORE LP 1099 18TH STREET, SUITE 1800 DENVER, CO 80202

THE GREGG FAMILY TRUST DATED MARCH 10, 1992, BY BEN H. GREGG, JR., AS TRUSTEE 18602 E. AVENIDA DEL RAY RIO VERDE, AZ 85263-8118

ESTATE OF EDWARD F. DUNKLEE, DEC'D 6550 W 46TH AVE WHEAT RIDGE. CO 80033

STRATEGIC ENERGY INCOME FUND III LP ATTN: KEVIN SULLEY, US ENERGY 1521 N COOPER STREET, SUITE 700 ARLINGTON, TX 76011

CAROL J. MURDOCK 2527 TUCKER COURT FORT COLLINS, CO 80526

ROSE ANN TSCHEUSCHNER, ET AL PO BOX 1313 LOVELAND, CO 80539

LINDA WISE P. O. BOX 710 IRRIGON, OR 97844 ROBERT D. KEIRNS AND NANCY A. KEIRNS, HUSBAND AND WIFE 3826 S. COUNTY ROAD 7 LOVELAND, CO 80537

R. SCOTT MURDOCK TRUST RESTATED 12-21-15 (MURDOCK LOT 1) 3550 S. COUNTY ROAD 5 LOVELAND, CO 80537

DRDJ, LLC 1720 WAZEE ST., UNIT 2E DENVER, CO 80202

ANADARKO E&P ONSHORE LLC 1099 18TH STREET, STE 1800 DENVER, CO 80202

MAGNOLIA, L.L.C. PO BOX 51555 MIDLAND, TX 79710 BLACKPOOL INVESTMENTS 19 OLD TOWNE SQUARE, SUITE 238 FT COLLINS, CO 80524

SWAN EXPLORATION ATTN TOM CAMPBELL 20008 CHAMPION FOREST, SUITE 302 SPRING, TX 77379

RAISA II, LLC 10058 CIRCLEVIEW DR. AUSTIN, TX 78733

PETRO OPERTING COMPANY LLC 9033 E. EASTER PL., STE 112 CENTENNIAL, CO 80112

EXTRACTION OIL & GAS, INC. 370 17TH ST., SUITE 5300 DENVER, CO 80202