

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 NO. 407-799 AND ESTABLISHING)
AN APPROXIMATE **1,920-ACRE** ~~960-ACRE~~)
DRILLING AND SPACING UNIT, AND)
ESTABLISHING WELL LOCATION RULES)
FOR THE DRILLING OF WELLS AND)
PRODUCING OF OIL, GAS, AND)
ASSOCIATED HYDROCARBONS FROM)
THE NIOBRARA AND CODELL)
FORMATIONS, COVERING CERTAIN)
LANDS—IN SECTIONS **27 AND 34,**)
TOWNSHIP 1 SOUTH, RANGE 66 WEST,)
6TH P.M., AND SECTION 3, TOWNSHIP 2)
SOUTH, RANGE 66 WEST, 6TH P.M.,)
WATTENBERG FIELD, ADAMS COUNTY,)
COLORADO)

Cause No. 407
Docket No. 180300233
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 No. 407-799, and establishing an approximate **1,920-acre** ~~960-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 Niobrara and Codell Formations covering certain lands in Adams County, Colorado. In support of its **Amended** 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 (“**Amended** Application Lands”):

Township 1 South, Range 66 West, 6th P.M.
Section 27: All
Section 34: **All S½**

Township 2 South, Range 66 West, 6th P.M.
Section 3: **All**

A reference map of the Amended 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 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 Codell Formation, and the Niobrara Formation underlying certain lands, including the **Amended** Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.

4. On June 17, 2013, the Commission entered Order No. 407-799, which vacated the 80-acre drilling and spacing units established by Order No. 407-87 as to Section 34, Township 1 South, Range 66 West, 6th P.M., and established an approximate 640-acre drilling and spacing unit for the same Section 34, and approved up to sixteen (16) horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, and up to 4 horizontal wells for the production of oil, gas, and associated hydrocarbons for the Codell Formation, with the treated interval of each well within the unit no closer than 460 feet from the unit boundaries, and no closer than 150 feet from the treated interval of any other wellbore located within the unit, without exception being granted by the Director. The **Amended** Application Lands are subject to this Order.

5. There are no producing Niobrara, Codell, or Niobrara-Codell vertical or horizontal wells on the **Amended** Application Lands.

6. To promote efficient drainage of the Niobrara and Codell Formations within the **Amended** Application Lands and to avoid waste, the Commission should vacate an **approximate 640-acre drilling and spacing unit established by** Order No. 407-799 **for Section 34, Township 1 South, Range 66 West, 6th P.M.**, and establish an approximate **1,920-acre** ~~960-acre~~ drilling and spacing unit covering the **Amended** Application Lands described below for production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations:

Township 1 South, Range 66 West, 6th P.M.
Section 27: All
Section 34: **All S½**

Township 2 South, Range 66 West, 6th P.M.
Section 3: **All**

7. Applicant is requesting to drill and complete one (1) horizontal well in the approximate **1,920-acre** ~~960-acre~~ drilling and spacing unit with the option to drill and complete up to a total of sixteen (16) horizontal wells in the unit for production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations in the **Amended** 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 Niobrara and Codell Formations, and no closer than 460 feet from the unit boundary, without exception being granted by the Director.

8. Applicant requests authority to drill only those wells necessary to determine the well density which allows the most efficient drainage of the Niobrara and Codell Formations, prevents waste, does not adversely affect correlative rights, and assures the greatest ultimate recovery of gas and associated hydrocarbon substances. 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 the requested setbacks and the wells drilled in the above-proposed drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.

9. Applicant further requests that the wells are drilled from no more than one (1) well pads within the unit or from a legal location on adjacent lands.

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 **Amended** Application shall be served on each interested party within seven days after filing of the application as required by Rules 503.e. and 507.b.(1).

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.

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Dated this 7 day of March, 2018.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By:  _____

Joseph C. Pierzchala
Geoffrey W. Storm
Welborn Sullivan Meck & Tooley, P.C.
Attorneys for Applicant
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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: Pam Kingery, Land Advisor
Phone: 720-557-8300

VERIFICATION

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

Pam Kingery, Land Advisor 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 her knowledge, information and belief.

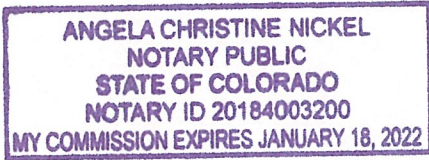
EXTRACTION OIL & GAS, INC.

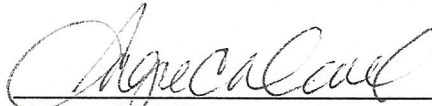


Pam Kingery, Land Advisor

Subscribed and sworn to before me this 27th day of February, 2018 by Pam Kingery, Land Advisor for Extraction Oil & Gas, Inc.

Witness my hand and official seal.





Notary Public
My Commission Expires: 1/18/2022

EXHIBIT A

INTERESTED PARTIES

Adams County

Christine Dougherty
4430 South Adams County Pkwy.
Brighton, CO 80601-8218

Commerce City Municipality

Chris Cramer
City of Commerce City
7887 East 60th Avenue
Commerce City, CO 80022

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

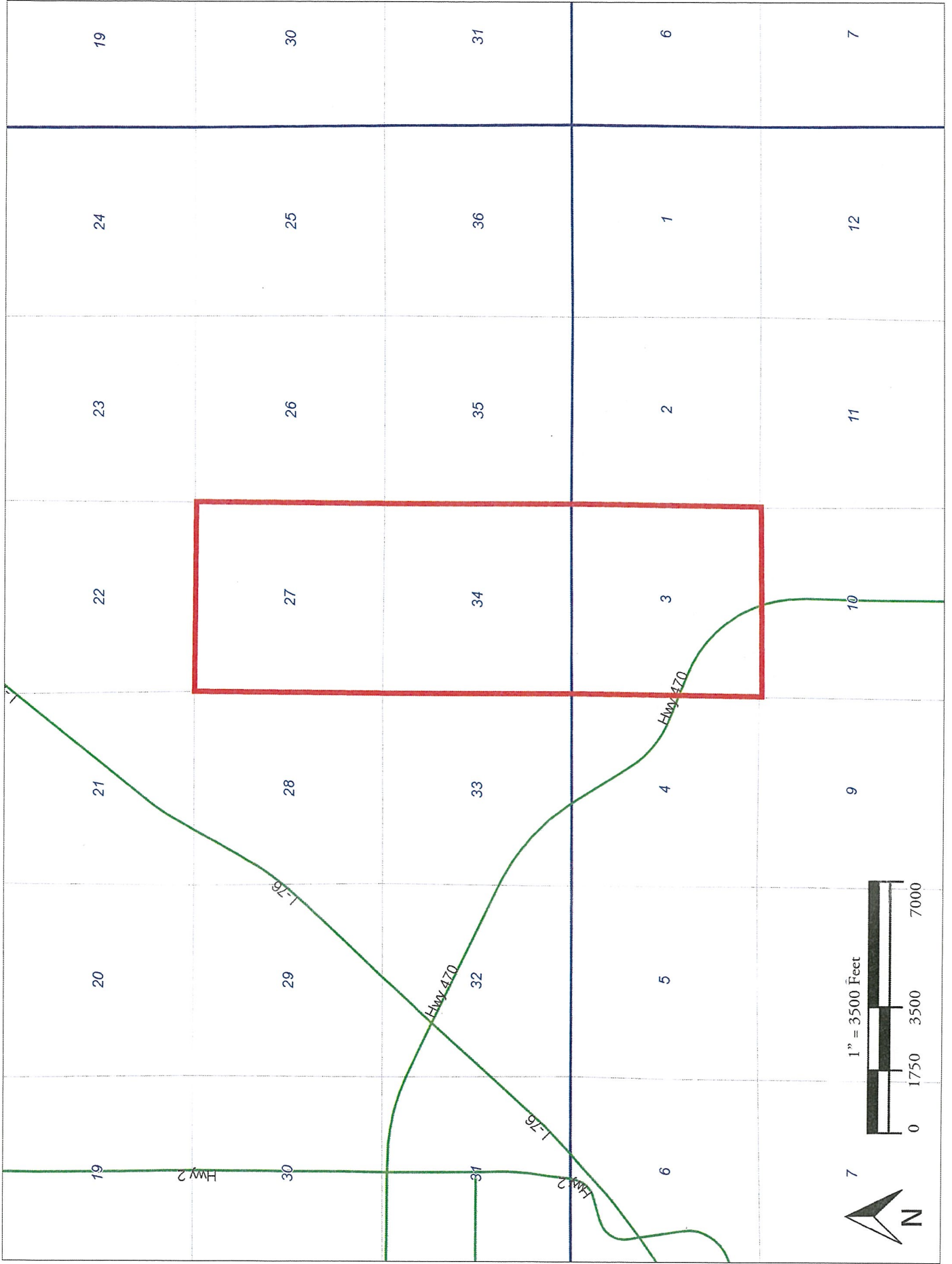
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EXHIBIT A CONTINUED ON NEXT PAGE

EXHIBIT A

INTERESTED PARTIES

Extraction Oil & Gas, Inc.

Exhibit A



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IN THE MATTER OF THE **AMENDED**)
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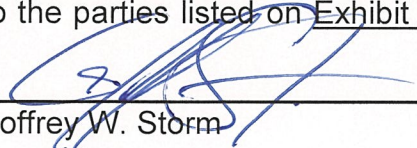
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AFFIDAVIT OF MAILING

STATE OF COLORADO §
§
CITY AND COUNTY OF DENVER §

I, Geoffrey W. Storm, of lawful age, and being first duly sworn upon my oath, state and declare:

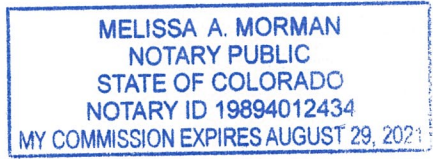
That I am the attorney for Extraction Oil & Gas, Inc. and that on or before March 19, 2018, I caused a copy of the attached Amended Application to be deposited in the United States mail, postage prepaid, addressed to the parties listed on Exhibit A to the **Amended** Application.

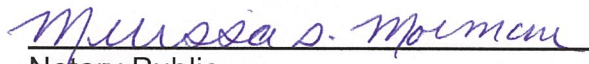


Geoffrey W. Storm

Subscribed and sworn to before me March 20, 2018.

Witness my hand and official seal.





Notary Public
My commission expires: 8/29/2021