

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 AN)
APPROXIMATE 1,000-ACRE DRILLING AND)
SPACING UNIT AND ESTABLISHING AN)
APPROXIMATE 600-ACRE DRILLING AND)
SPACING UNIT WITH WELL LOCATION RULES)
APPLICABLE TO THE DRILLING OF WELLS)
AND PRODUCING OF OIL, GAS, AND)
ASSOCIATED HYDROCARBONS FROM THE)
CODELL AND NIOBRARA FORMATIONS FOR)
CERTAIN LANDS IN SECTIONS 32 AND 33,)
TOWNSHIP 1 NORTH, RANGE 68 WEST, 6TH)
P.M., WATTENBERG FIELD, WELD COUNTY,)
COLORADO.)

Cause No. 407
Docket No. 180400351
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 an approximate 1,000-acre drilling and spacing unit, with up to twelve horizontal wells within the unit, established by Order No. 407-2209 for the N $\frac{1}{2}$ and N $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 31, the N $\frac{1}{2}$ and N $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 32, and the NW $\frac{1}{4}$ and N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 33, Township 1 North, Range 68 West, 6th P.M., and establishing an approximate 600-acre drilling and spacing unit with well location rules for the drilling of wells and producing of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations. In support of its **Amended** Application, Applicant states as follows:

1. Applicant owns leasehold interests and has a right to drill in the following lands ("Application Lands"):

- Township 1 North, Range 68 West, 6th P.M.
- Section 32: N $\frac{1}{2}$, N $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$
- Section 33: NW $\frac{1}{4}$, N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$

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 is 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 established 80-acre drilling and spacing units for the production of oil and/or gas from the Codell-Niobrara Formation, the Codell Formation, and the Niobrara Formation underlying certain lands including the Application Lands, with permitted well locations in accordance with the provisions of Order No. 407-1.

4. On October 24, 2016, the Commission entered Order No. 407-1794 which established one approximate 1,280-acre drilling and spacing unit for Sections 28 and 33, Township 1 North, 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.

5. On October 31, 2017, the Commission entered Order No. 407-2209, which established an approximate 1,000-acre drilling and spacing unit for the N $\frac{1}{2}$ and N $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 31, the N $\frac{1}{2}$ and N $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 32, and the NW $\frac{1}{4}$ and N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 33, Township 1 North, Range 68 West, 6th P.M., and approved up to twelve (12) 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 the wellbore being 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 northern, southern, and western unit boundaries, and no closer than 150 feet from the eastern unit boundary, unless an exception is granted by the Director. The Application Lands are subject to this order.

6. Applicant has drilled, tested and completed wells in the Codell and Niobrara Formations on lands in close proximity to the Application Lands.

7. There are vertical wells within the above-described 1,000-acre drilling and spacing unit producing from, *inter alia*, the Codell and Niobrara Formations. Applicant is the Operator of these wells, which Applicant intends to plug and abandon pursuant to the Commission Rules as soon as production is established in within the proposed drilling and spacing unit from the requested horizontal wells.

8. To promote efficient drainage of the Codell and Niobrara Formations within the Application Lands and to avoid waste, the Commission should vacate one approximate 1,000-acre drilling and spacing unit established by Order No. 407-2209 for the N $\frac{1}{2}$ and N $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 31, the N $\frac{1}{2}$ and N $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 32, and the NW $\frac{1}{4}$ and N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 33, Township 1 North, Range 68 West, 6th P.M., and establish an approximate 600-acre drilling and spacing unit for the Application Lands described below for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations:

Township 1 North, Range 68 West, 6th P.M.

Section 32: N $\frac{1}{2}$, N $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$

Section 33: NW $\frac{1}{4}$, N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$

9. Applicant is requesting to drill and complete one (1) horizontal well in the above-described approximate 600-acre drilling and spacing unit with the option to drill and complete up to a total of twelve (12) horizontal wells in the unit 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. 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 Codell and/or Niobrara formations, and no closer than 460 feet from the northern, ~~and~~ southern, **and western** unit boundaries, and 150 feet from the eastern ~~and western~~ unit **boundary boundaries**, without exception being granted by the Director.

10. 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 hydrocarbons. The proposed drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the requested number of wells within the unit. Applicant further maintains that wells drilled in the above-proposed drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners. Applicant states that the proposed drilling and spacing unit and number of wells will not have an adverse effect on public, health, safety, and welfare.

11. Applicant intends to drill the requested horizontal wells in an east-west orientation.

12. Applicant states that the wells be drilled from one well pad located within the unit and/or from a legal location on adjacent lands, without exception granted by the Director.

13. 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 original **amended** 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.

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Dated this 16th day of March, 2018.

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: _____



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Geoffrey W. Storm
Welborn Sullivan Meck & Tooley, P.C.
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gstorm@wsmtlaw.com

Applicant's Address:

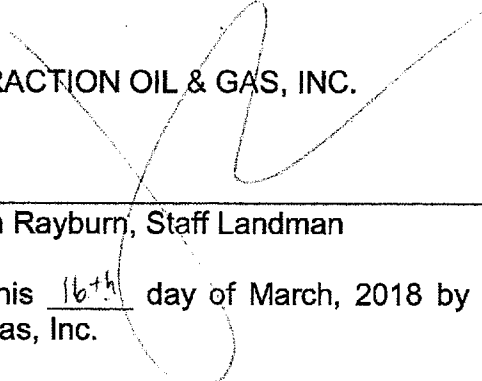
Extraction Oil & Gas, Inc.
370 17th Street, Suite 5300
Denver, CO 80202
Attn: Jason Rayburn , Staff Landman
Phone: 720-557-8300

VERIFICATION

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

Jason Rayburn, Staff 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.



Jason Rayburn, Staff Landman

Subscribed and sworn to before me this 16th day of March, 2018 by Jason Rayburn, Staff Landman for Extraction Oil & Gas, Inc.

Witness my hand and official seal.

HALEY ZEPESKI
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20184004172
MY COMMISSION EXPIRES JAN 25, 2022



Notary Public
My Commission Expires: 1/25/22

EXHIBIT A

INTERESTED PARTIES

Town of Erie

R. Martin Ostholthoff
645 Holbrook Street
P.O. Box 750
Erie, CO 80516

Weld County Department of Planning Services

Troy Swain
1555 North 17th Avenue
Greeley, CO 80631

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

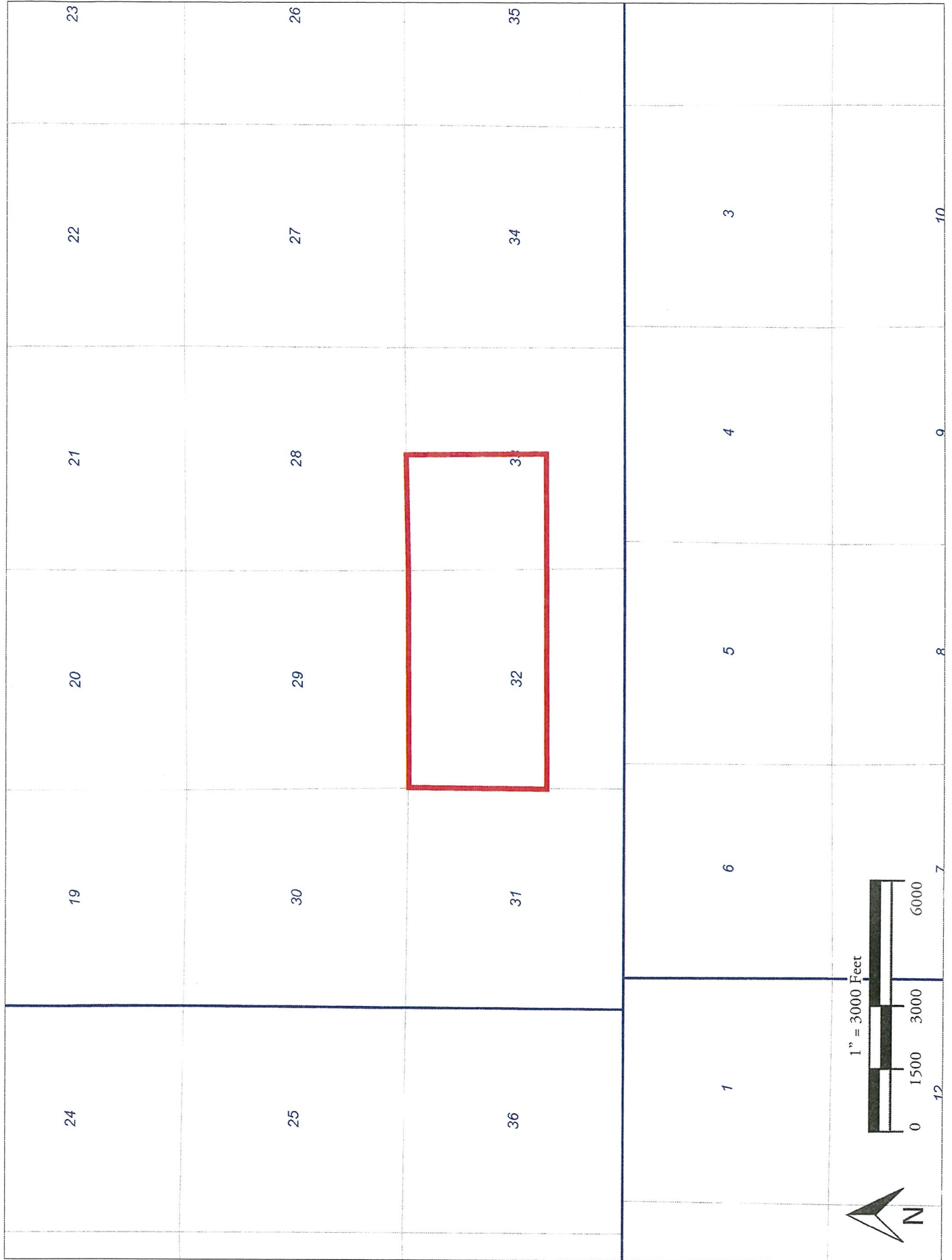
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EXHIBIT A CONTINUED ON NEXT PAGE

EXHIBIT A

INTERESTED PARTIES

Extraction Oil & Gas, Inc.
Robert and Dorothy Mussack
Town of Erie
Colorado National Golf Club
Crestone Peak Resources Holdings, LLC
Noble Energy, Inc.
Juanitha Jacobs Brennan
Mineral Resources, J.V.
NRC-CO 1, LLC

Exhibit B - Application Lands



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RULES APPLICABLE TO THE DRILLING OF)
WELLS AND PRODUCING OF OIL, GAS, AND)
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CODELL AND NIOBRARA FORMATIONS)
FOR CERTAIN LANDS IN SECTIONS 32 AND)
33, TOWNSHIP 1 NORTH, RANGE 68 WEST,)
6TH P.M., WATTENBERG FIELD, WELD)
COUNTY, COLORADO.)

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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.

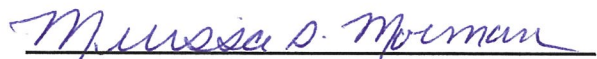


Geoffrey W. Storm

Subscribed and sworn to before me March 20, 2018.

Witness my hand and official seal.

MELISSA A. MORMAN
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 19894012434
MY COMMISSION EXPIRES AUGUST 29, 2021



Notary Public
My commission expires: 8/29/2021