

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

IN THE MATTER OF THE AMENDED)	Cause No. 407
APPLICATION OF EXTRACTION OIL &)	
GAS, INC. FOR AN ORDER)	Docket No. 170900596
ESTABLISHING AN APPROXIMATE 1,260-)	
ACRE DRILLING AND SPACING UNIT)	Type: SPACING
AND ESTABLISHING WELL LOCATION)	
RULES APPLICABLE TO THE DRILLING)	
AND PRODUCING OF WELLS FROM THE)	
CODELL AND NIOBRARA FORMATIONS)	
COVERING CERTAIN LANDS IN)	
TOWNSHIPS 1 NORTH AND SOUTH,)	
RANGE 68 WEST, 6TH P.M.,)	
BROOMFIELD AND WELD COUNTIES,)	
COLORADO.)	

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 establishing an approximate 1,260-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 Codell and Niobrara Formations covering certain lands in Broomfield and Weld 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 North, Range 68 West, 6th P.M.

Section 31: S $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$

Section 32: SW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$

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

Section 6: All

Section 7: N $\frac{1}{2}$

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

4. There are vertical wells within the above-described 1,260-acre drilling and spacing unit producing from, *inter alia*, the Codell and Niobrara Formations. Applicant is the Operator of certain of these wells, which Applicant intends to plug and abandon pursuant to the Commission Rules as soon as production is established in the requested drilling and spacing unit from the requested horizontal ~~well wells~~.

5. To promote efficient drainage of the Codell and Niobrara Formations within the Application Lands and to avoid waste, the Commission should establish an approximate 1,260-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 North, Range 68 West, 6th P.M.

Section 31: S $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$

Section 32: SW $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$

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

Section 6: All

Section 7: N $\frac{1}{2}$

6. Applicant is requesting to drill and complete one (1) horizontal well in the above-described approximate 1,260-acre drilling and spacing unit ~~with the option to drill and complete up to a total of twenty (20) 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 ~~the~~ 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 eastern and western unit boundaries and 150 feet from the northern and southern unit boundaries, without exception being granted by the Director.

7. On ~~August 31~~ July 13, 2017, Applicant filed a verified **amended** application (Docket No. **170900598** pending) for an order to establish an approximate 1,600-acre drilling and spacing unit for the S $\frac{1}{2}$ of Section 7 and all of Sections 18 and 19, Township 1 South, Range 68 West, 6th P.M. for the Codell and Niobrara Formations

~~with up to ten (10) wells within the unit with the treated interval of each the 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 southern, eastern, and western unit boundaries and 150 feet from the northern unit boundary, without exception being granted by the Director.~~

8. As it respects the present Application, the application referenced in paragraph 7 above requests a reduced unit boundary setback of 150 feet along the northern boundary, which abuts the southern 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. In addition, Applicant is the working interest owner of the mineral interests within the quarter-quarter sections on either side of that shared boundary.

9. ~~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 hydrocarbon substances from the Codell and Niobrara Formations.~~ The proposed drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the authorized **well wells** in such drilling and spacing unit. Applicant further maintains that **the well wells** drilled in the above-proposed drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.

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

11. 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.

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Dated this 31~~13~~th day of **August**~~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 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
Landman

Subscribed and sworn to before me this 31st day of August 2017 by Jason Rayburn, Land Manager for Extraction Oil & Gas, Inc..

Witness my hand and official seal.

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

Anne Pierini
Notary Public
My Commission Expires: 1/4/21

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

City and County of Broomfield

Tami Yellico
One DesCombes Drive
Broomfield, CO 80020

City of Lafayette

Karen Westover
1290 South Public road
Lafayette, CO 80026

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

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INTERESTED PARTIES

Extraction Oil & Gas, Inc.
Crestone Peak Resources Holdings LLC
Noble Energy, Inc.
NRC-CO 1, LLC
Louis P. Bansbach, III
Juanitha Jacobs Brennan
Mineral Resources, J.V.
Kerr-McGee Oil & Gas Onshore LP
Martin Exploration Management Company
Colorado Investment Grp, LLC
Pratt Properties Limited Partnership
Anadarko Land Corp.
BC Land, LLC
Karen K. Kramer
Kenneth E. Pratt
City and County of Broomfield