

**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 CAUSE NO. 407
POOLING ALL INTERESTS IN FIVE
APPROXIMATE 878.84-ACRE DESIGNATED DOCKET NO.
HORIZONTAL WELLBORE SPACING UNITS FOR
CERTAIN PORTIONS OF SECTIONS 35 AND 36, TYPE: POOLING
TOWNSHIP 5 NORTH, RANGE 68 WEST, 6TH P.M.
AND CERTAIN PORTIONS OF SECTION 31,
TOWNSHIP 5 NORTH, RANGE 67 WEST, 6TH
P.M., FOR THE DEVELOPMENT/OPERATION OF
THE CODELL AND NIOBRARA FORMATIONS,
WATTENBERG FIELD, LARIMER AND WELD
COUNTIES, COLORADO

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 five (5) approximate 878.84-acre horizontal wellbore spacing units established for certain portions of Sections 35 and 36, Township 5 North, Range 68 West, 6th P.M. and certain portions of Section 31, Township 5 North, Range 67 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:

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

Section 35: NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$

Section 36: N $\frac{1}{2}$

Larimer County, Colorado

Township 5 North, Range 67 West, 6th P.M.

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

Weld County, Colorado, 878.84 acre, more or less
Wellbore Spacing Unit ("WSU") Nos. 1-5.

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 five (5) approximate 878.84-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. Johnsons Corner East 2C Well (API No. 05-069-06460) – Codell Formation – WSU #1;
- b. Johnsons Corner East 3N Well (API No. 05-069-06457) – Niobrara Formation – WSU #2;
- c. Johnsons Corner East 4N Well (API No. 05-069-06463) – Niobrara Formation – WSU #3;
- d. Johnsons Corner East 5C Well (API No. 05-069-06468) – Codell Formation – WSU #4; and
- e. Johnsons Corner East 6N Well (API No. 05-069-06466) – Niobrara Formation – WSU #5.

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. 1-5 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

¹ 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.

specified in §34-60-116(7)(b), C.R.S. are first incurred for the drilling of the Subject Wells within WSU Nos. 1-5.

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 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. 1-5 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. 1-5.

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 30th day of November, 2017.

Respectfully submitted,

EXTRACTION OIL & GAS, INC.

By: 
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Jobediah J. Rittenhouse
Beatty & Wozniak, P.C.
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Applicant's Address:
Extraction Oil & Gas, Inc.
ATTN: Philip Zaranka
370 17th Street, Suite 5300
Denver, CO 80202

VERIFICATION

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

Philip Zaranka, 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.



Philip Zaranka

Subscribed and sworn to before me this 30th day of November, 2017, by Philip Zaranka, Landman for Extraction Oil & Gas Inc.

Witness my hand and official seal.

My commission expires:



Notary Public

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

EXHIBIT A

Reference Map for Pooling Application

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

Section 35: NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$

Section 36: N $\frac{1}{2}$

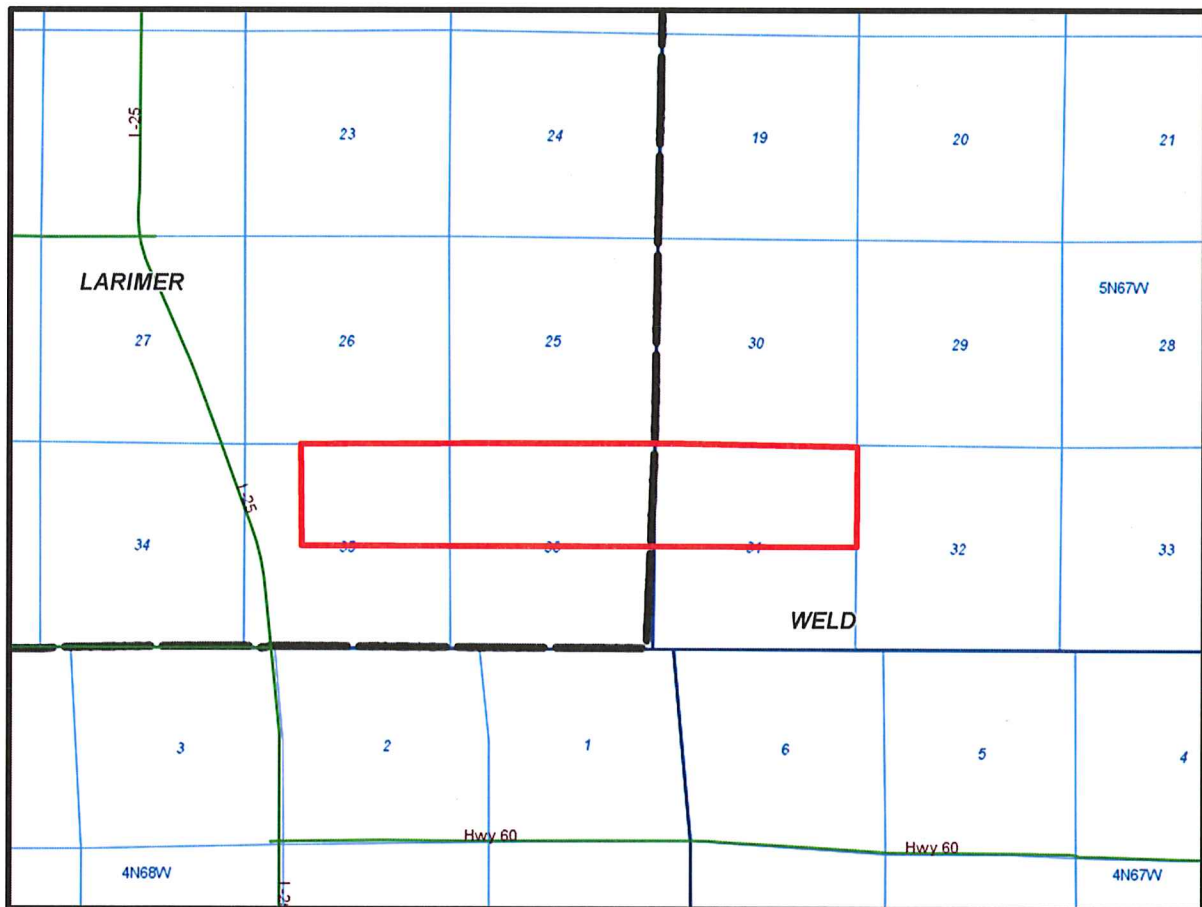
Larimer County, Colorado

Township 5 North, Range 67 West, 6th P.M.

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

Weld County, Colorado, 878.84 acre, more or less

Wellbore Spacing Unit ("WSU") Nos. 1-5.



 = Application Lands

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.

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

SYNERGY RESOURCES CORPORATION
1675 BROADWAY, SUITE 2600
DENVER, CO 80202

GUS OIL 1981 LIMITED PARTNERSHIP,
C/O K.P. KAUFFMAN COMPANY, INC.
1675 BROADWAY, 28TH FLOOR
DENVER, CO 80202

JIM'S WATER SERVICE OF COLORADO
1675 BROADWAY, SUITE 2800
DENVER, CO 80202

GORDON L. ALLOTT, JR.
2305 E. ARAPAHOE ROAD, SUITE 230
LITTLETON, CO 80122

JAMES D. BROWNLIE
135 N. LAFAYETTE ST.
DENVER, CO 80218

KENNETH A. BREITENBACH
4483 W. COTTONWOOD PL.
LITTLETON, CO 80123

JERRY D. ARMSTRONG
1513 COTTONWOOD LANE
GREENWOOD VILLAGE, CO 80121

PINEY CREEK PROPERTIES LLC
640 N. CACHE CT.
GREELEY, CO 80634

ELSTER OIL & GAS, LLC
200 PLAZA DRIVE, SUITE 100
HIGHLANDS RANCH, CO 80129

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

SIERRA ENERGY ASSOCIATES 1981-2,
C/O K.P. KAUFFMAN COMPANY, INC.
1675 BROADWAY, SUITE 2800
DENVER, CO 80202

WILLIAM M. FOSTER
1600 BROADWAY, SUITE 2000
DENVER, CO 80202-4904

MARIANNE FINCH
6550 W. 46TH AVE.
WHEAT RIDGE, CO 80033

JOHN R. WALLACE
1611 CENTAUR CIR.
LAFAYETTE, CO 80026

RAY O. BROWNLIE
10 CHERRYMOOR DR.
ENGLEWOOD, CO 80113

JAMES B. WALLACE
105 N. 51ST AVE.
GREELEY, CO 80634