

**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 TWO CAUSE NO. 407
APPROXIMATE 620.966-ACRE DESIGNATED DOCKET NO.
HORIZONTAL WELLBORE SPACING UNITS FOR
CERTAIN PORTIONS OF SECTIONS 30 AND 31, TYPE: POOLING
TOWNSHIP 6 NORTH, RANGE 67 WEST, 6TH P.M.
AND CERTAIN PORTIONS OF SECTIONS 25 AND
36, TOWNSHIP 6 NORTH, RANGE 68 WEST, 6TH
P.M., FOR THE DEVELOPMENT/OPERATION OF
THE NIOBRARA FORMATION, 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 two approximate 620.966-acre horizontal wellbore spacing units established for certain portions of Sections 30 and 31, Township 6 North, Range 67 West, 6th P.M. and certain portions of Sections 25 and 36, Township 6 North, Range 68 West, 6th P.M., for the development and operation of the Niobrara Formation. 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 6 North, Range 67 West, 6th P.M.

Section 30: S $\frac{1}{2}$ S $\frac{1}{2}$

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

Weld County, Colorado

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

Section 25: S $\frac{1}{2}$ S $\frac{1}{2}$

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

Larimer County, Colorado, 620.966 acres, more or less
Wellbore Spacing Unit ("WSU") Nos. 1-2.

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 two approximate 620.966-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 Niobrara Formation. 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. Milkshake 31W-20-1N (API No. 05-123-46054) - Niobrara Formation - WSU #1;
- b. Milkshake 31W-20-2N Well (API No. 05-123-46055) - Niobrara Formation - WSU #2.

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. 1-2 established for the Application Lands, for the development and operation of the Niobrara Formation.

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. 1-2.

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.

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.

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. 1-2 established for the Application Lands, for the development and operation of the Niobrara Formation, 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. 1-2.

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 18th day of January, 2018.

Respectfully submitted,

EXTRACTION OIL & GAS, INC.

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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 18th day of January, 2018, by Philip Zaranka, Landman for Extraction Oil & Gas Inc.

Witness my hand and official seal.

My commission expires: 1/21/22



Notary Public

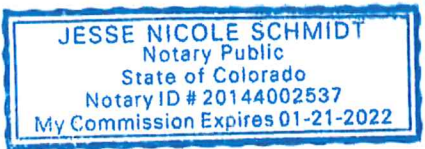


EXHIBIT A

Reference Map for Pooling Application

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

Section 30: S $\frac{1}{2}$ S $\frac{1}{2}$

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

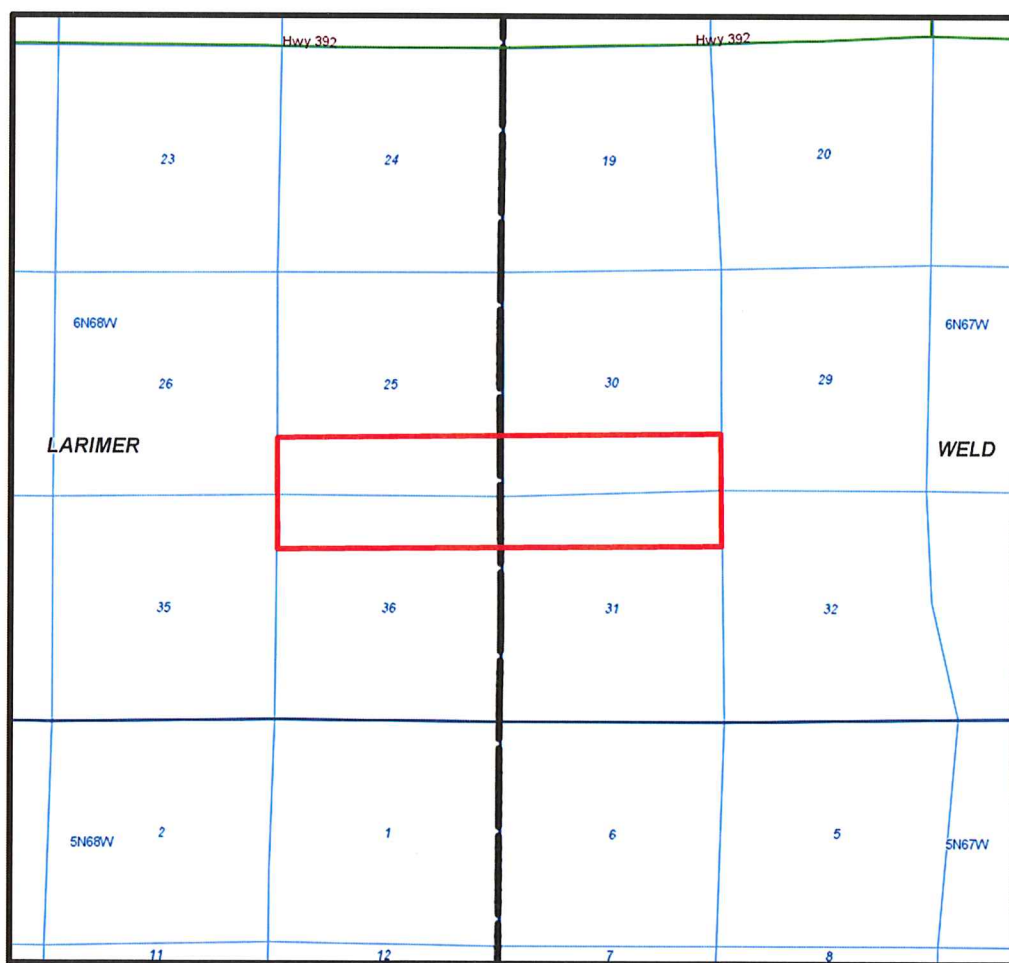
Weld County, Colorado

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

Section 25: S $\frac{1}{2}$ S $\frac{1}{2}$

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

Larimer County, Colorado, 620.966 acres, more or less
Wellbore Spacing Unit ("WSU") Nos. 1-2.



 = Application Lands

