

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

IN THE MATTER OF THE APPLICATION OF)	
EXTRACTION OIL & GAS, INC., FOR AN ORDER)	CAUSE NO. 407
ESTABLISHING AN APPROXIMATE 1,920-ACRE)	
DRILLING AND SPACING UNIT FOR E½ of)	DOCKET NO. <i>To be determined</i>
SECTION 8, SECTIONS 9 AND 10, AND W½ OF)	
SECTION 11, TOWNSHIP 7 NORTH, RANGE 65)	TYPE: Spacing
WEST, 6 TH P.M., AND AUTHORIZING THE)	
DRILLING OF TWENTY HORIZONTAL WELLS)	
WITHIN SAID UNIT, FOR PRODUCTION FROM THE)	
CODELL-NIOBRARA FORMATION, WATTENBERG)	
FIELD, WELD COUNTY, COLORADO)	

APPLICATION

Extraction Oil & Gas, Inc. (“Extraction” or “Applicant”), Operator #10459, by and through its attorneys, The Shanor Group LLC, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (“Commission” or “COGCC”) for an order: (1) vacating Order 407-1000 which, among other things, established an approximate 320-acre drilling and spacing unit for the N½ of Section 8, Township 7 North, Range 65 West, 6th P.M., and authorized the drilling of 6 horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and (2) establishing an approximate 1,920-acre drilling and spacing unit for the E½ of Section 8, Sections 9 and 10, and W½ of Section 11, Township 7 North, Range 65 West, 6th P.M., and authorizing the drilling of 20 horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation. In support of this Application (“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 COGCC.
2. Applicant owns substantial leasehold interests in the below-listed lands (“Application Lands”):

Township 7 North, Range 65 West, 6th P.M.
Section 8: E½
Section 9: All
Section 10: All
Section 11: W½

The Application Lands comprise 1,920 acres, more or less, and are depicted on the Application Map, Exhibit A, attached hereto.

3. On April 27, 1988, 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 Cretaceous Age Formations from the base of the Dakota Formation to the

surface. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area (“GWA”) wells. On December 5, 2005, Rule 318A was amended, among other things, 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, among other things, to address drilling of horizontal wells. The Application Lands are subject to Rule 318A for the Codell-Niobrara Formation.

Vacating the approximate 320-acre drilling and spacing unit established for the N½ of Section 8, Township 7 North, Range 65 West, 6th P.M., for production from the Codell and Niobrara Formations

4. On April 28, 2014, the Commission issued Order No. 407-1000 which, among other things, established an approximate 320-acre drilling and spacing unit for the N½ of Section 8, Township 7 North, Range 65 West, 6th P.M., and authorized the drilling of 6 horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

5. Applicant herein seeks to establish an approximate 1,920-acre drilling and spacing unit for the Application Lands, for production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation. There has been no development of either the Codell and Niobrara Formations under Order No. 407-1000, which authorizes the drilling of 6 horizontal wells within the approximate 320-acre drilling and spacing unit established for the N½ of Section 8, Township 7 North, Range 65 West, 6th P.M. Future development of the N½ of said Section 8 under Order No. 407-1000 would conflict with Applicant’s plan to establish the approximate 1,920-acre drilling and spacing unit for the Application Lands, with authority to twenty horizontal wells within the planned unit, for production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation.

6. Accordingly, Applicant herein requests Order No. 407-1000, which established an approximate 320-acre drilling and spacing unit for the N½ of Section 8, Township 7 North, Range 65 West, 6th P.M., and authorized the drilling of 6 horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, be vacated. Accordingly, vacating Order No. 407-1000 will lead to the efficient and economic development of the resource underlying the Application Lands and prevent waste, while protecting correlative rights.

Establishment of an approximate 1,920-acre drilling and spacing unit for the Application Lands, for production from the Codell-Niobrara Formation

7. Applicant herein seeks the establishment of an approximate 1,920-acre drilling and spacing unit for the Application Lands, and the authority to drill 20 horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation. The Codell and Niobrara Formations underlying the Application Lands are a common source of supply. Further, the establishment of the drilling and spacing unit is not smaller than the area which can be efficiently and economically drained by the drilling of the requested horizontal wells to be drilled within said unit.

8. Applicant herein requests the treated intervals of any horizontal well permitted under this Application should be located not less than 460 feet from proposed unit boundaries and not less than 150

feet from any other well producing or drilling from the Codell-Niobrara Formation, without exception being granted by the Director.

9. Applicant herein requests any permitted well drilled under this Application should be located: (1) on lands overlying the drilling and spacing unit from either inside a Rule 318A GWA drilling window or lands outside the GWA windows with landowner consent, absent exception granted by the Director, or (2) on lands outside the drilling and spacing unit with landowner consent, absent exception granted by the Director. Further, Applicant requests that permitted wells under this Application should be drilled from no more than six multi-well pads.

* * *

10. 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 COGCC rules.

11. Applicant requests that relief granted as result of this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by the oral order of the Commission.

12. That the names and addresses of interested parties (owners within the Application Lands) according to the information and belief of the Applicant are set forth in Exhibit B attached hereto. The Applicant shall submit a certificate of service for the Application within seven days as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests this matter be set for hearing, notice be given as required by law, and that upon such hearing the Commission enter its order:

A. Establishing an approximate 1,920-acre drilling and spacing unit for the Application Lands, and authorizing the drilling of 20 horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation, with the treated intervals of any horizontal well permitted under this Application located not less than 460 feet from unit boundaries and not less than 150 feet from any other well producing or drilling from the Codell-Niobrara Formation, without exception being granted by the Director.

B. Limiting the drilling of any permitted wells under this Application to no more than six multi-well pads either: (1) on lands overlying the drilling and spacing unit from either inside a Rule 318A GWA drilling window or lands outside the GWA windows with landowner consent, absent exception granted by the Director, or (2) on lands outside the drilling and spacing unit with landowner consent, absent exception granted by the Director.

C. For such other findings and orders as the Commission may deem proper or advisable given the premises.

DATED this 2nd day of February, 2018.

Respectfully submitted,

EXTRACTION OIL & GAS, INC

By: *Robert A. Willis*
Robert A. Willis (Colorado Bar #26308)
The Shanor Group LLC
600 Seventeenth Street, Suite 2800
Denver, CO 80202
(303) 995-5120

Applicant's Address:
370 Seventeenth Street, Suite 5300
Denver, CO 80202

VERIFICATION

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

Allyson Vistica Boies, Land Manager for Extraction Oil & Gas, Inc., upon oath deposes and says that she has read the foregoing Application and that the statements contained therein are true to the best of her knowledge, information and belief.

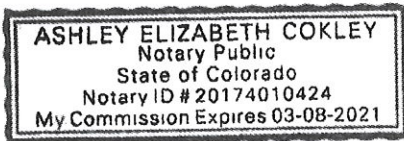
EXTRACTION OIL & GAS, INC.

Allyson Vistica Boies
Allyson Vistica Boies

Subscribed and sworn to before me this 2nd day of February, 2018, by Allyson Vistica Boies, Land Manager for Extraction Oil & Gas, Inc.

Witness my hand and official seal.

My commission expires: 03-08-2021



Ashley E. Cokley
Notary Public

Township 7 North, Range 65 West

Section 8: E/2

Section 9: All

Section 10: All

Section 11: W/2

Exhibit A



EXHIBIT B

INTERESTED PARTIES

Robert Willis, Esq.
The Shanor Group
600 17th Street, Suite 2800
Denver, CO 80202

Extraction Oil & Gas, Inc.
Attn: Sean Flanagan
370 17th Street, Suite 5300
Denver, CO 80202

Troy Swain
Weld County
Dep't of Planning Services
1555 North 17th Ave.
Greeley, CO 80631

Kent Kuster
CDPHE
4300 Cherry Creek Dr. South
Denver, CO 80246-1530

Colo. Parks & Wildlife
Attn: Brandon Marette
6060 Broadway
Denver, CO 80216

Extraction Oil & Gas LLC
370 17th Street, Suite 5300
Denver, CO 80202

Lincoln Energy LLC
852 Broadway, Suite 300
Denver, CO 80203

Hazel Daniels
690 Peterson Ranch Rd.
Templeton, CA 93465

Jennifer & Jeremy Adler
20009 Hwy 14
Ault, CO 80610

Barbara L. & James J. Graham
40056 County Rd. 14
Ault, CO 80610

Zora L. Hickman
1350 Collyer St., Apt. 105
Longmont, CO 80501

Estate of Leonard W. Johnson,
Josephine S. Johnson – c/o
Howard R. Johnson
P.O. Box 367
Idaho Springs, CO 80452

Weld County
1150 O St.
Greeley, CO 80631

Marlene S. Elder Trust & Gene
R. Elder Trust
20725 State Hwy. 14
Ault, CO 80610

Cornerstone Energy, LLC
8952 Gander Valley Lane
Windsor, CO 80550

Arrowhead Energy LLC
3812 Tayside Court
Timnath, CO 80547

Crescent Point Energy US Corp.
555 17th St., Ste. 1800
Denver, CO 80202

Centennial Mineral Holdings,
LLC
5950 Cedar Springs Rd., Ste.200
Dallas, TX 75235

Vine Royalty
307 West 7th, Ste. 300
Fort Worth, TX 76102

Centennial Royalty, JV
5000 Plaza on the Lake, Ste. 250
Austin, TX 78746

Cayman Resources, Inc.
5773 Woodway Drive, PMB
412
Houston, TX 77057

Peyton Energy LP
6850 TPC Drive. Ste. 202
McKinney, TX 75070

MadAnt Energy, Inc.
P.O. Box 100728
Denver, CO 80250

Two Sisters, LLC
1712 Pioneer Ave., Ste. 470
Cheyenne, WY 82001

Evergreen Marquee, LLC
1685 S. Colorado Blvd., S-362
Denver, CO 80222

WYOTEX Drilling Ventures
LLC
P.O. Box 280969
Lakewood, CO 80969

Cobalt Oil and Gas LLC
P.O. Box 8806
Denver, CO 80201

Bayswater Fund III-A, LLC
730 17th St., #610
Denver, CO 80202

Bayswater Resources, LLC
730 17th St., #610
Denver, CO 80202

Vida Nova Investments, LLC
665 W. Burgundy St., Unit B
Highlands Ranch, CO 80129

KOG, Inc.
7334 S. Pierson Court
Littleton, CO 80127

Nickel Road FW, LLC
407 Throckmorton St., Ste. 560
Fort Worth, TX 76102

State Dep't of Highways
4201 E. Arkansas Ave.
Denver, CO 80222

Bayswater Exploration &
Production LLC
730 17th St., #610
Denver, CO 80202