

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 1,280-ACRE)	
DRILLING AND SPACING UNIT FOR SECTIONS 5)	DOCKET NO. <i>To be determined</i>
AND 6, TOWNSHIP 7 NORTH, RANGE 64 WEST, 6 TH)	
P.M., AND AUTHORIZING THE DRILLING OF)	TYPE: Spacing
TWENTY HORIZONTAL WELLS WITHIN SAID)	
UNIT, FOR PRODUCTION FROM THE CODELL-)	
NIORARA FORMATION, WATTENBERG FIELD,)	
WELD COUNTY, COLORADO)	

APPLICATION

Extraction Oil & Gas LLC (“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) establishing an approximate 1,280-acre drilling and spacing unit for Sections 5 and 6, Township 7 North, Range 64 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, and (2) maintaining allocation of proceeds for any existing wells located within the proposed unit and producing from the Codell and/or Niobrara Formations. 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 64 West, 6th P.M.

Section 5: All
Section 6: All

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.

Establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands, for production from the Codell-Niobrara Formation

4. Applicant herein seeks the establishment of an approximate 1,280-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.

5. 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.

6. 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 four multi-well pads.

Maintaining allocation of proceeds for existing wells within the Application Lands and producing from the Codell and/or Niobrara Formations

7. Noble Energy, Inc., Operator #100322, presently operates the Dillard USX AB 5-16 well (API #05-123-26088), a vertical well with its bottomhole located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 5, Township 7 North, Range 64 West, 6th P.M., and allocates production on an 80-acre leasehold basis designating the E $\frac{1}{2}$ SE $\frac{1}{4}$ of said Section 5, for production from the Codell-Niobrara Formation.

8. Noble Energy, Inc., presently operates the Dillard USX AB 5-15P well (API #05-123-31057), a vertical well with its bottomhole located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 5, Township 7 North, Range 64 West, 6th P.M., and allocates production on an 80-acre leasehold basis designating the W $\frac{1}{2}$ SE $\frac{1}{4}$ of said Section 5, for production from the Codell-Niobrara Formation.

9. Noble Energy, Inc., presently operates the Dillard USX AB 5-99HZ well (API #05-123-31254), a horizontal well with its bottomhole located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 5, Township 7 North, Range 64 West, 6th P.M., and allocates production on a 640-acre leasehold basis designating for said Section 5, for production from the Niobrara Formation.

10. Noble Energy, Inc., presently operates the Antholz PC AB 6-16 well (API #05-123-32110), a vertical well with its bottomhole located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 6, Township 7 North, Range 64 West, 6th P.M., and allocates production on an 80-acre leasehold basis designating the E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 6, for production from the Codell-Niobrara Formation.

11. Applicant herein requests the aforementioned existing wells should be excluded from the approximate 1,280-acre drilling and spacing unit proposed herein for the Application Lands, and that the allocation of proceeds accordingly to their existing bases.

* * *

12. 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.

13. 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.

14. 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 1,280-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 four 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. Maintaining allocation of proceeds for any existing wells located within the proposed unit and producing from the Codell and/or Niobrara Formations and excluding those wells from the 1,280-acre drilling and spacing unit proposed herein for the Application Lands.

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

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DATED this 8th 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)

Sean Flanagan, 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.

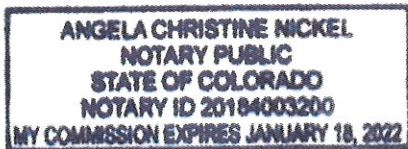
Sean Flanagan
Sean Flanagan

Subscribed and sworn to before me this 8th day of February, 2018, by Sean Flanagan, Landman for Extraction Oil & Gas, Inc.

Witness my hand and official seal.

My commission expires: 1/18/2022

Angela Nickel
Notary Public



Township 7 North, Range 64 West

Section 5: All

Section 6: All

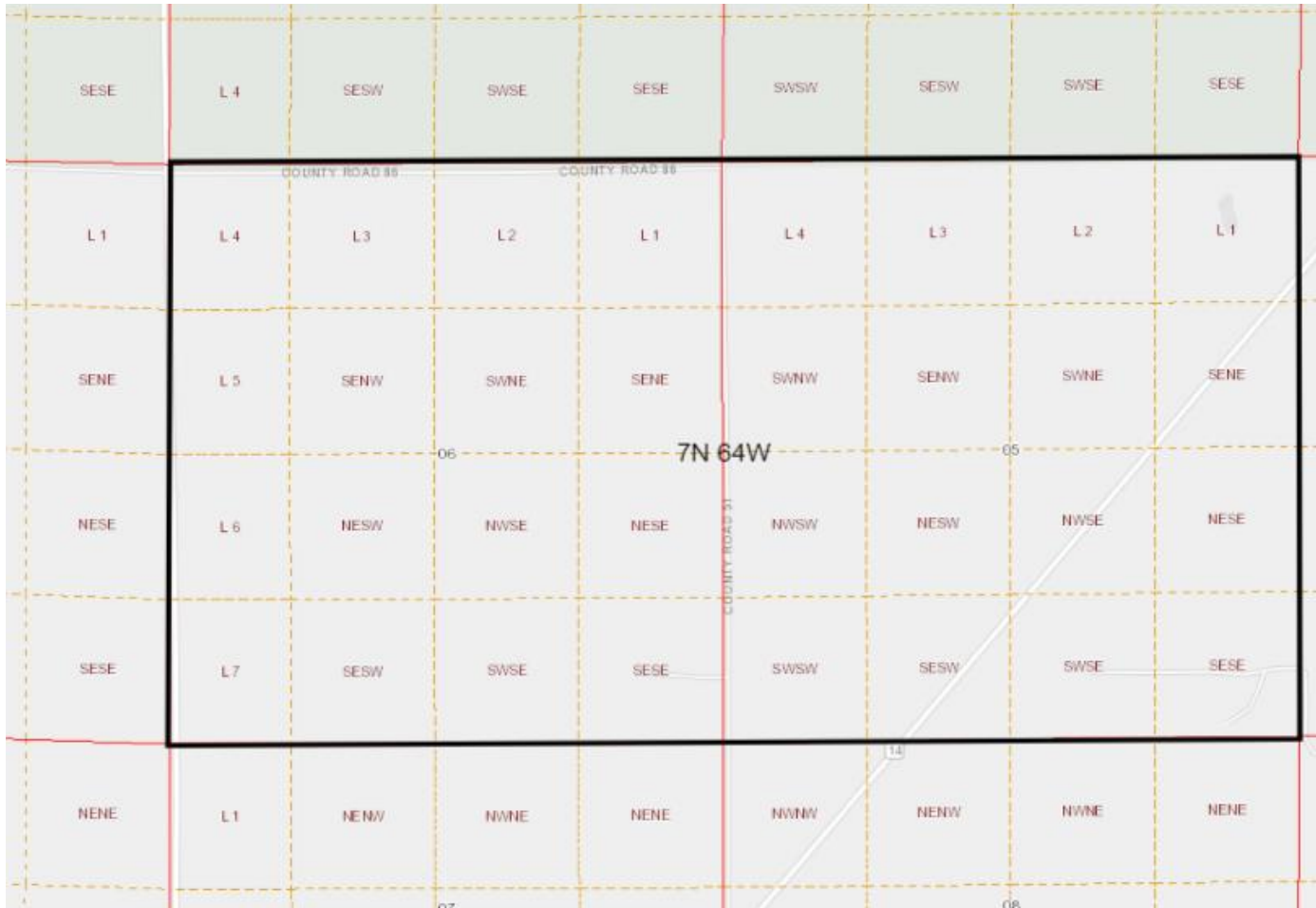


EXHIBIT B

INTERESTED PARTIES

Robert Willis, Esq.
The Shanor Group
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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

Noble Energy, Inc.
1625 Broadway
Denver, CO 80202

Union Pacific Railroad Co.;
Anadarko
1099 18th St.
Denver, CO 80202

Okreek Oil and Gas II LLC
999 18th Street, Suite 1120S
Denver, CO 80202

Horizon Resources LLC
6990 W. 38th Ave, Ste. 301
Wheat Ridge, CO 80033

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

Cayman Resources, Inc.
5773 Woodway Dr., 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

Dios Del Mar Royalty Holding
Company LLC
P.O. Box 621128
Littleton, CO 80162

Preston William B Living Trust
U A Dated 8-26-97
11904 Arbor St., Ste. 200
Omaha, NE 68114

Sierra Echo Resources
12105 Lake Stone Drive
Austin, TX 78738

Confluence DJ LLC
1001 17th St., Ste. 1250
Denver, CO 80202

Extraction Oil & Gas LLC
370 17th St., #5300
Denver, CO 80202