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

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IN THE MATTER OF THE APPLICATION OF EXTRACTION OIL & GAS, INC., FOR AN ORDER ESTABLISHING AN APPROXIMATE 1,600-ACRE DRILLING AND SPACING UNIT FOR SECTION 7 & W½ of SECTION 8, TOWNSHIP 7 NORTH, RANGE 65 WEST, AND SECTION 12, TOWNSHIP 7 NORTH, RANGE 66 WEST, 6TH 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

CAUSE NO. 407 DOCKET NO. *To be determined* TYPE: Spacing

APPLICATION

Extraction Oil & Gas, Inc. ("Extraction" or "Applicant"), Operator #10459, by and through its attorneys, The Shanor Group LLC, respectfully submits this verified 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 N¹/₂ of Section 8, Township 7 North, Range 65 West, 6th P.M., and authorizes the drilling of six horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and Order No. 407-1781 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M., and authorizes the drilling of 16 horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and (2) establishing an approximate 1,600-acre drilling and spacing unit for Section 7 and the W¹/₂ of Section 8, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 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 7:AllSection 8:W1/2

Township 7 North, Range 66 West, 6th P.M.Section 12:All

The Application Lands comprise 1,600 acres, more or less, and are depicted on the Application Map, <u>Exhibit A</u>, 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.

<u>Vacating the approximate 320-acre drilling and spacing unit established for the N¹/₂ of Section 8, Township 7 North, Range 65 West, 6th P.M., for production from the Codell and Niobrara Formations</u>

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 N¹/₂ of Section 8, Township 7 North, Range 65 West, 6^{th} P.M., and authorized the drilling of six horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

5. On August 29, 2016, the Commission issued Order No. 407-1781 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M., and authorized the drilling of 16 horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

6. Applicant herein seeks to establish an approximate 1,600-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 either Order No. 407-1000, which authorizes the drilling of six horizontal wells within the approximate 320-acre drilling and spacing unit established for the N¹/₂ of Section 8, Township 7 North, Range 65 West, 6th P.M., or Order No. 407-1781, which authorizes the drilling of 16 horizontal wells within the approximate 1,280-acre drilling and spacing unit established for Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M. Future development of the N¹/₂ of said Section 8 under Order No. 407-1000 and Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M., under Order No. 407-1781 would conflict with Applicant's plan to establish an approximate 1,600-acre drilling and spacing unit for the Application Lands, with authority to drill 20 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation.

7. Accordingly, Applicant herein requests Order No. 407-1000, which established an approximate 320-acre drilling and spacing unit for the N¹/₂ of Section 8, Township 7 North, Range 65

West, 6th P.M., and authorizes the drilling of six horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, be vacated. 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.

8. Further, Applicant herein requests Order No. 407-1781, which established an approximate 1,280-acre drilling and spacing unit for Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M., and authorizes the drilling of 16 horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, be vacated. Vacating Order No. 407-1781 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 1,600-acre drilling and spacing unit for the Application Lands, for production from the Codell-Niobrara Formation

9. Applicant herein seeks the establishment of an approximate 1,600-acre drilling and spacing unit for the Application Lands, and the authority to drill 20 horizontal wells within the proposed unit, for 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.

10. 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 within the proposed unit, without exception being granted by the Director.

11. 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.

* * *

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 <u>Exhibit B</u> and shall submit a certificate of service for the Application (which includes <u>Exhibit B</u>) 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. Vacating Order 407-1000 which, among other things, established an approximate 320acre drilling and spacing unit for the N¹/₂ of Section 8, Township 7 North, Range 65 West, 6th P.M., and authorizes the drilling of six horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and Order No. 407-1781 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M., and authorizes the drilling of 16 horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

B. Establishing an approximate 1,600-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 within the proposed unit, without exception being granted by the Director.

C. 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.

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

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DATED this <u>22nd</u> day of May, 2018.

Respectfully submitted,

EXTRACTION OIL & GAS, INC. By:

Robert A. Willis (Colorado Bar #26308) Poulson, Odell & Peterson, LLC 1775 Sherman Street, Suite 1400 Denver, CO 80203 (303) 861-4400 (main) (303) 264-4418 (direct)

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

VERIFICATION

) ss.

STATE OF COLORADO

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.

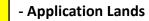
EXTRACTION OIL & GAS, INC.

Subscribed and sworn to before me this 218 day of May, 2018, by Sean Flanagan, Landman for Extraction Oil & Gas, Inc.

Witness my hand and official seal.

STATE OF COLORADO NOTARY ID 20184004172 **MY COMMISSION EXPIRES JAN 25, 2022**

My commission expires: 61/25/02 HALEY ZEPESKI **NOTARY PUBLIC**



Township 7 North, Ranges 65 & 66 West, 6th P.M.

Exhibit A Application Map

- Existing Units

	7N-66W	7N-65W			
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BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

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IN THE MATTER OF THE APPLICATION OF EXTRACTION OIL & GAS, INC., FOR AN ORDER ESTABLISHING AN APPROXIMATE 1,600-ACRE DRILLING AND SPACING UNIT FOR SECTION 7 & W¹/₂ of SECTION 8, TOWNSHIP 7 NORTH, RANGE 65 WEST, AND SECTION 12, TOWNSHIP 7 NORTH, RANGE 66 WEST, 6TH 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

CAUSE NO. 407

DOCKET NO. 180700527

. .

TYPE: Spacing

CERTIFICATE OF MAILING

I, Bridget Wittrock, hereby certify that on the 25th day of May, 2018, I caused a copy of the Application in the above-referenced Docket Number to be deposited in the U.S. Mail, postage prepaid, addressed to the parties listed on <u>Exhibit B</u> attached hereto.

DATED this 6th day of June, 2018.

Sindet (1) traber

Bridget Wittrock Poulson, Odell & Peterson, LLC 1775 Sherman Street, Suite 1400 Denver, Colorado 80203

EXHIBIT B

INTERESTED PARTIES

THORNTON CITY OF 9500 CIVIC CENTER DR THORNTON, CO 80229-4326

180700527

MOORE, SHEILA RAE (BN) PO BOX 335 AULT, CO 80610-0335

180700527

MCCASLAND, DOUGLAS W 17845 STATE HIGHWAY 14 AULT, CO 80610-9624

180700527

WOLF TRUCKING INC PO BOX 1099 AULT, CO 80610-1099

180700527

PETRIE, HENRY JR 17487 HIGHWAY 14 AULT, CO 80610

180700527

HUBLY, SCOTT DAVID PO BOX 1362 AULT, CO 80610-1362

180700527

HORIZON COATINGS 239 E 4TH ST AULT, CO 80610

180700527

CARLSON CLARENCE E 3055 DELOZIER DR FORT COLLINS, CO 80524-8495

180700527

SANCHEZ, MARIA 325 E 1ST ST 432 AULT, CO 80610

180700527

HINZ, DALE E PO BOX 1280 AULT, CO 80610-1280

180700527

A UNIQUE LITTLE FARM LTD 40527 COUNTY ROAD 37 AULT, CO 80610-9638

180700527

MILLERS PARK LLC 2137 LIBERTY DR FORT COLLINS, CO 80521-1307

180700527

MAAS, PETER J 17939 STATE HIGHWAY 14 AULT, CO 80610-9624

180700527

BERG, HERMAN LEROY (BN) PO BOX 447 AULT, CO 80610

180700527

GARBISO PORFELIO JR PO BOX 376 AULT, CO 80610-0376

180700527

WHITE GARY D PO BOX 1147 AULT, CO 80610-1147

180700527

MOORE, SHEILA RAE (BN) 17539 HIGHWAY 14 AULT, CO 80610

180700527

ASHFORD, LESLIE M 510 N 3RD AVE AULT, CO 80610

180700527

AULT TOWN OF 201 1ST ST PO BOX 1098 AULT, CO 80610-1098 180700527

DELGADO OMAR 17543 HIGHWAY 14 AULT, CO 80610-9624

180700527

FETZER JOSHUA C 513 3RD AVE AULT, CO 80610

180700527

FARMERS BANK PO BOX 220 AULT, CO 80610-0220

180700527

GOLDEN WEST PINE MILLS LLC 5411 ARROWHEAD DR GREELEY, CO 80634-9355

180700527

SMITH, PETER TIMOTHY 640 1ST AVE AULT, CO 80610

FETZER, JOSHUA C 513 3RD AVE AULT, CO 80610

180700527

STANLEY, JENNIFER J 420 1ST AVE AULT, CO 80610

180700527

GARCIA APOLONIO PO BOX 474 PIERCE, CO 80650-0474

180700527

CASSON, PATRICIA M 206 2ND ST AULT, CO 80610

180700527

ARMSTRONG, PATRICIA MAY 246 E 4TH STREET AULT, CO 80610

180700527

SANCHEZ, LUCINDA P 242 E 4TH ST AULT, CO 80610

180700527

VISTA DEL SOL LLC 1125 PECAN DR BELLVUE, CO 80512-5681

180700527

KLADY, STANLEY V PO BOX 406 AULT, CO 80610-0406

180700527

RAMIREZ, FRANCISCO 2215 A ST GREELEY, CO 80631-1720

180700527

WOLF, BERNICE G 241 E 1ST ST AULT, CO 80610

180700527

TRIPLE M DEVELOPMENT LLC 6430 EDGEWARE ST FORT COLLINS, CO 80525-4100

180700527

MAESTAS, ROBB 129 ALLISON ST AULT, CO 80610

180700527

TATRO, RONALD L PO BOX 552 AULT, CO 80610-0552

180700527

BOOZE BARN P O BOX 116 GILL, CO 80624

180700527

MCCALL, DIANA JEAN PO BOX 375 AULT, CO 80610-0375

180700527

HILL, C SHARON 261 4TH ST AULT, CO 80610

180700527

OCHOA, SANDY 38996 COUNTY ROAD 33 AULT, CO 80610-9651

180700527

MAESTAS, ROBB A 251 E 3 ST PO BOX 1092 AULT, CO 80610-1092 180700527

HORNER, DONA 122 ALLISON ST AULT, CO 80610

180700527

MILLER, CHARLOTTE K (BN) PO BOX 325 AULT, CO 80610-0325

180700527

GRAY DONNA (LE) 498 HIGHWAY 85 AULT, CO 80610

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CHAPIN, LINDA L PO BOX 53 AULT, CO 80610-0053

180700527

AULT GAS & FOOD MART PO BOX 1496 AULT, CO 80610-1496

180700527

BROYLES, VICKIE M 241 E 2ND ST AULT, CO 80610

180700527

ARCHDIOCESE OF DENVER ATTN: PROPERTY & REAL EST DEPT 1300 S STEELE ST DENVER, CO 80210-2526 180700527

HOTEL DEWITT LLC 229 JEFFERSON ST FORT COLLINS, CO 80524-2412

180700527

OCHS, BRIDGET 231 E 3RD ST AULT, CO 80610

180700527

RAIRDON, ABRAHAM 113 ALLISON ST AULT, CO 80610

180700527

LEGGET, TOMAS 260 4TH ST AULT, CO 80610

180700527

MELLINGER BERNADINE RAMIREZ 266 E 4TH ST AULT, CO 80610

GONZALEZ JIMENEZ ENRIQUE 7750 HENRY ST FORT LUPTON, CO 80621-4250

180700527

CROSSROADS INSURANCE 213 1ST ST EATON, CO 80615-3479

180700527

MASTERCRAFT 221 3RD ST AULT, CO 80610-8500

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CLINE, STANLEY 320 1ST AVE AULT, CO 80610

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JACKSON, FRANKLIN H PO BOX 294 AULT, CO 80610-0294

180700527

TRANQUILINO RAUDEL PO BOX 1064 AULT, CO 80610-1064

180700527

FULLMOON CUSTOMS 115 HIGHWAY 85 AULT, CO 80610

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JABLONSKI, JOHN P PO BOX 543 LYLE, WA 98635-0012

180700527

HENSLEY, BARBARA C 517 HIGHWAY 85 AULT, CO 80610

180700527

DUVALL, ROY D PO BOX 222 AULT, CO 80610-0222

180700527

KJ PROPERTIES LLC 811 SCOTCH PINE DR WINDSOR, CO 80550-2952

180700527

MADRID STACY CLAIRE PO BOX 1044 AULT, CO 80610-1044

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MANWEILER, RICHARD LEE 125 3RD STREET AULT, CO 80610

180700527

SCHULZ OTTILLIE CHRISTINE PO BOX 102 AULT, CO 80610-0102

180700527

MCCRUMB FAMILY TRUST (50%) 1099 ROBBIA DR SUNNYVALE, CA 94087-2832

180700527

RUFF, GRANT A PO BOX 223 AULT, CO 80610-0223

180700527

BLEHM, MARJORIE A 115 2ND ST AULT, CO 80610

180700527

COLD FIRE LLC 116 ALLISON ST AULT, CO 80610

180700527

DANLEY PROPERTIES LLC 406 ELM AVE EATON, CO 80615-3436

180700527

BRADLEY KENNETH PAUL PO BOX 111 AULT, CO 80610-0111

180700527

MASCARENAS, SANDRA KAY PO BOX 1025 AULT, CO 80610-1025

180700527

MEYER, FREIDA MAY PO BOX 382 AULT, CO 80610-0382

180700527

GODBY, C DON 37632 COUNTY ROAD 37 EATON, CO 80615-9016

180700527

BARRETT, VIKI L 508 1ST AVE AULT, CO 80610

180700527

WHITE NANCY J 628 1ST AVE AULT, CO 80610

180700527

NICHOLLS, ALYSON K 114 N 3RD ST AULT, CO 80610-9672

180700527

GODINEZ, ANTONIO C PO BOX 63 AULT, CO 80610-0063

180700527

BOYER, BEVERLY 115 ALLISON ST AULT, CO 80610

180700527

PUSTILNIK LAND & CATTLE LLC 506 CHARRINGTON CT FORT COLLINS, CO 80525-5869

180700527

MILLER ANDREW 114 ALLISON ST AULT, CO 80610

GODBY REAL ESTATE LLC 37632 COUNTY ROAD 37 EATON, CO 80615-9016

180700527

KIMBALL GRANT CLARK PO BOX 1422 AULT, CO 80610-1422

180700527

GAYLE EILEEN PO BOX 72 AULT, CO 80610-0072

180700527

GODBY, HELEN 244 E 3RD ST AULT, CO 80610

180700527

ZUNIGA, MARILYN J 264 E 3RD ST AULT, CO 80610

180700527

DMM HOLDING LLC PO BOX 503 AULT, CO 80610-0503

180700527

ADAMS, ROXANNA LEE 206 3RD ST AULT, CO 80610

180700527

LOPEZ, MELISSA 111 2ND ST AULT, CO 80610

180700527

MUNOZ, EDUARDO 38634 COUNTY ROAD 39 AULT, CO 80610-9603

180700527

GENERATIONAL INVESTMENTS LLC 123 GROVE AVE CEDARHURST, NY 11516-2322

180700527

OCHOA, SANDY 714 JACKIE ANN ST AULT, CO 80610

180700527

MILLER, DANA L 15461 COUNTY ROAD 86 PIERCE, CO 80650-9202

180700527

JUAREZ JOEL NARRANJO PO BOX 1071 AULT, CO 80610-1071

180700527

GODBY, HELEN L 263 E 2ND ST AULT, CO 80610

180700527

DYER, GERRY D DYER, ROBBY G 324 S 1ST AVE AULT, CO 80610-9665 180700527

WALKER, VIRGINIA M PO BOX 188 AULT, CO 80610-0188

180700527

JOHNSON, ANNA CHRISTINE 125 2ND STREET AULT, CO 80610

180700527

NEVERS-BULLOCK TRACY V PO BOX 1303 AULT, CO 80610-1303

180700527

TIMEJARDINE, MARY ELAINE PO BOX 337 AULT, CO 80610-0337

180700527

PEREA ENRIQUE 301 E 1ST ST AULT, CO 80610-9628

180700527

MOBERG DENISE K 260 3RD ST AULT, CO 80610-8500

180700527

PADILLA, GEORGE PO BOX 307 AULT, CO 80610-0307

180700527

TUCKER, MICHAEL R 245 E 2ND AVE AULT, CO 80610

180700527

NEWTON, ROBERT H PO BOX 493 AULT, CO 80610-0493 180700527

HOFFMAN GREGORY 41755 COUNTY ROAD 29 PIERCE, CO 80650-9310

180700527

RUFF, GRANT A PO BOX 223 AULT, CO 80610-0223

180700527

FLADUNG, THOMAS P (BN) PO BOX 1233 AULT, CO 80610-1233

180700527

ERICKSON, HEATHER C 211 2ND ST AULT, CO 80610

180700527

COLORADO DEPT OF HIGHWAYS 4201 E ARKANSAS AVE DENVER, CO 80222-3406

180700527

HILTON, MICHAEL PO BOX 476 AULT, CO 80610-0476

MORADO, CELIA 607 HIGHWAY 85 AULT, CO 80610

180700527

SIMPSON, CHERI RENEE PO BOX 266 AULT, CO 80610-0266

180700527

ELLIOTT, JOHN D 412 1ST AVENUE AULT, CO 80610

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BARNHART, PAULINE I 516 N 1ST AVE AULT, CO 80610

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SMITH, ANNA 255 4TH ST AULT, CO 80610

180700527

BARRON, VICTOR H PO BOX 1122 FORT COLLINS, CO 80522-1122

180700527

VANWINKLE, EVA 411 HIGHWAY 85 AULT, CO 80610

180700527

HIGHLAND FEEDERS INC P O BOX 417 AULT, CO 80610-0417

180700527

CHEANG, BENJAMIN 5362 S LISBON WAY CENTENNIAL, CO 80015-6415

180700527

RENAUD, JAMES E PO BOX 1111 AULT, CO 80610-1111

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PILLER, DIANA L P O BOX 205 AULT, CO 80610-0205

180700527

MORGAN JASON 107 2ND ST AULT, CO 80610

180700527

KINDSFATHER CHARLES RODNEY PO BOX 373 AULT, CO 80610-0373

180700527

ROEL ISAAC C/O MAYRA ARELLANO PO BOX 133 AULT, CO 80610-0133 180700527

NAVARRO, JESSICA 401 N 3RD AVE AULT, CO 80610

180700527

SCHROEDER, TRACY 404 1ST AVE AULT, CO 80610

180700527

ERBELDING, ROBERT W 261 E 2ND ST AULT, CO 80610

180700527

HALE, GARY D 216 1ST STREET AULT, CO 80610

180700527

PITNEY BOWES GLOBAL FINANCIAL SVCS LLC 5310 CYPRESS CENTER DR, STE 110 TAMPA, FL 33609-1057 180700527

CARR SHARON B 1933 MT ZION DR GOLDEN, CO 80401-1760

180700527

YAMADA, THOMAS DEAN PO BOX 442 AULT, CO 80610-0442

180700527

GAME CHANGER AMUSEMENTS P.O BOX 337702 GREELEY, CO 80633-0629

180700527

FLORES FORTUNATO PO BOX 64 AULT, CO 80610-0064

180700527

JOHN, KRISTY L PO BOX 513 AULT, CO 80610-0513

180700527

HELGESON, CINDY 117 FRY STREET AULT, CO 80610

180700527

ROBINSON, SARA J 120 N 3RD AVE AULT, CO 80610-9672

180700527

EL DORADO MEXICAN GRILL DE VALLARTA LLC PO BOX 1162 AULT, CO 80610 180700527

ROHN, JAMES D 213 1ST ST AULT, CO 80610

180700527

VENTURE ENERGY LLC INDEPENDENCE PLAZA B-180, PM#359 1001 16TH STREET DENVER, CO 80202 180700527

CORNERSTONE ENERGY LLC 8952 GANDER VALLEY LANE WINDSOR, CO 80550

EXTRACTION OIL & GAS LLC 370 17TH ST, #5300 DENVER, CO 80202

180700527

LINCOLN ENERGY PARTNERS II LLC 852 BROADWAY, STE. 300 DENVER, CO 80203

180700527

Kent Kuster CDPHE 4300 Cherry Creek Dr. South Denver, CO 80246-1530 180700527 SHARP ENERGY RESOURCES LLC 1801 BROADWAY, STE 400 DENVER, CO 80202

180700527

WYOTEX DRILLING VENTURES LLC P.O. BOX 280969 LAKEWOOD, CO 80228

180700527

Colo. Parks & Wildlife Attn: Brandon Marette 6060 Broadway Denver, CO 80216 180700527 LAND ENERGY INC 1615 CALIFORNIA ST., STE. 702 DENVER, CO 80202

180700527

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

180700527

Troy Swain Weld County / Dept. of Planning Services 1555 North 17th Ave. Greeley, CO 80631 180700527

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

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IN THE MATTER OF THE APPLICATION OF EXTRACTION OIL & GAS, INC., FOR AN ORDER ESTABLISHING AN APPROXIMATE 1,600-ACRE DRILLING AND SPACING UNIT FOR SECTION 7 & W¹⁄₂ of SECTION 8, TOWNSHIP 7 NORTH, RANGE 65 WEST, AND SECTION 12, TOWNSHIP 7 NORTH, RANGE 66 WEST, 6TH 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

CAUSE NO. 407 DOCKET NO. *To be determined* TYPE: Spacing

APPLICATION

Extraction Oil & Gas, Inc. ("Extraction" or "Applicant"), Operator #10459, by and through its attorneys, The Shanor Group LLC, respectfully submits this verified 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 N¹/₂ of Section 8, Township 7 North, Range 65 West, 6th P.M., and authorizes the drilling of six horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and Order No. 407-1781 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M., and authorizes the drilling of 16 horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and (2) establishing an approximate 1,600-acre drilling and spacing unit for Section 7 and the W¹/₂ of Section 8, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 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 7:AllSection 8:W1/2

Township 7 North, Range 66 West, 6th P.M. Section 12: All The Application Lands comprise 1,600 acres, more or less, and are depicted on the Application Map, <u>Exhibit A</u>, 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 N¹/₂ 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 N¹/₂ of Section 8, Township 7 North, Range 65 West, 6th P.M., and authorized the drilling of six horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

5. On August 29, 2016, the Commission issued Order No. 407-1781 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M., and authorized the drilling of 16 horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

6. Applicant herein seeks to establish an approximate 1,600-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 either Order No. 407-1000, which authorizes the drilling of six horizontal wells within the approximate 320-acre drilling and spacing unit established for the N¹/₂ of Section 8, Township 7 North, Range 65 West, 6th P.M., or Order No. 407-1781, which authorizes the drilling of 16 horizontal wells within the approximate 1,280-acre drilling and spacing unit established for Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M. Future development of the N¹/₂ of said Section 8 under Order No. 407-1000 and Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M., under Order No. 407-1781 would conflict with Applicant's plan to establish an approximate 1,600-acre drilling and spacing unit for the Application Lands, with authority to drill 20 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation.

7. Accordingly, Applicant herein requests Order No. 407-1000, which established an approximate 320-acre drilling and spacing unit for the N¹/₂ of Section 8, Township 7 North, Range 65

West, 6th P.M., and authorizes the drilling of six horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, be vacated. 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.

8. Further, Applicant herein requests Order No. 407-1781, which established an approximate 1,280-acre drilling and spacing unit for Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M., and authorizes the drilling of 16 horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, be vacated. Vacating Order No. 407-1781 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 1,600-acre drilling and spacing unit for the Application Lands, for production from the Codell-Niobrara Formation

9. Applicant herein seeks the establishment of an approximate 1,600-acre drilling and spacing unit for the Application Lands, and the authority to drill 20 horizontal wells within the proposed unit, for 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.

10. 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 within the proposed unit, without exception being granted by the Director.

11. 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.

* * *

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 <u>Exhibit B</u> and shall submit a certificate of service for the Application (which includes <u>Exhibit B</u>) 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. Vacating Order 407-1000 which, among other things, established an approximate 320acre drilling and spacing unit for the N¹/₂ of Section 8, Township 7 North, Range 65 West, 6th P.M., and authorizes the drilling of six horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and Order No. 407-1781 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M., and authorizes the drilling of 16 horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

B. Establishing an approximate 1,600-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 within the proposed unit, without exception being granted by the Director.

C. 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.

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

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DATED this 22nd day of May, 2018.

Respectfully submitted.

EXTRACTION OIL & GAS. IM By:

Robert A. Willis (Colorado Bar #26308) Poulson, Odell & Peterson, LLC 1775 Sherman Street, Suite 1400 Denver, CO 80203 (303) 861-4400 (main) (303) 264-4418 (direct)

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

VERIFICATION

) ss.

STATE OF COLORADO

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. an Flanagan

Subscribed and sworn to before me this $\frac{\partial S^{+}}{\partial t}$ day of May, 2018, by Sean Flanagan, Landman for Extraction Oil & Gas, Inc.

Witness my hand and official seal.

NOTARY ID 20184004172 MY COMMISSION EXPIRES JAN 25, 2022

My commission expires: 61/25/22 HALEY ZEPESKI **NOTARY PUBLIC** STATE OF COLORADO



<u>Exhibit A</u> Application Map 1.1.: I 15 27 I 10 I 22 3 16 4 21 28 I Ì. L 9 Township 7 North, Ranges 65 & 66 West, 6th P.M. I I 17 20 29 j 'n 8 Ē : j..... 7NI-65W 18 I 19 30 L 9 7 7N-66W 12 13 24. 14 25 I - Application Lands - Existing Units 11 14 26 23 2

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

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IN THE MATTER OF THE APPLICATION OF EXTRACTION OIL & GAS, INC., FOR AN ORDER ESTABLISHING AN APPROXIMATE 1,600-ACRE DRILLING AND SPACING UNIT FOR SECTION 7 & W¹/₂ of SECTION 8, TOWNSHIP 7 NORTH, RANGE 65 WEST, AND SECTION 12, TOWNSHIP 7 NORTH, RANGE 66 WEST, 6TH 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

CAUSE NO. 407

DOCKET NO. 180700527

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TYPE: Spacing

CERTIFICATE OF MAILING

I, Bridget Wittrock, hereby certify that on the 25th day of May, 2018, I caused a copy of the Application in the above-referenced Docket Number to be deposited in the U.S. Mail, postage prepaid, addressed to the parties listed on <u>Exhibit B</u> attached hereto.

DATED this 6th day of June, 2018.

Sindet (1) traber

Bridget Wittrock Poulson, Odell & Peterson, LLC 1775 Sherman Street, Suite 1400 Denver, Colorado 80203

EXHIBIT B

INTERESTED PARTIES

THORNTON CITY OF 9500 CIVIC CENTER DR THORNTON, CO 80229-4326

180700527

MOORE, SHEILA RAE (BN) PO BOX 335 AULT, CO 80610-0335

180700527

MCCASLAND, DOUGLAS W 17845 STATE HIGHWAY 14 AULT, CO 80610-9624

180700527

WOLF TRUCKING INC PO BOX 1099 AULT, CO 80610-1099

180700527

PETRIE, HENRY JR 17487 HIGHWAY 14 AULT, CO 80610

180700527

HUBLY, SCOTT DAVID PO BOX 1362 AULT, CO 80610-1362

180700527

HORIZON COATINGS 239 E 4TH ST AULT, CO 80610

180700527

CARLSON CLARENCE E 3055 DELOZIER DR FORT COLLINS, CO 80524-8495

180700527

SANCHEZ, MARIA 325 E 1ST ST 432 AULT, CO 80610

180700527

HINZ, DALE E PO BOX 1280 AULT, CO 80610-1280

180700527

A UNIQUE LITTLE FARM LTD 40527 COUNTY ROAD 37 AULT, CO 80610-9638

180700527

MILLERS PARK LLC 2137 LIBERTY DR FORT COLLINS, CO 80521-1307

180700527

MAAS, PETER J 17939 STATE HIGHWAY 14 AULT, CO 80610-9624

180700527

BERG, HERMAN LEROY (BN) PO BOX 447 AULT, CO 80610

180700527

GARBISO PORFELIO JR PO BOX 376 AULT, CO 80610-0376

180700527

WHITE GARY D PO BOX 1147 AULT, CO 80610-1147

180700527

MOORE, SHEILA RAE (BN) 17539 HIGHWAY 14 AULT, CO 80610

180700527

ASHFORD, LESLIE M 510 N 3RD AVE AULT, CO 80610

180700527

AULT TOWN OF 201 1ST ST PO BOX 1098 AULT, CO 80610-1098 180700527

DELGADO OMAR 17543 HIGHWAY 14 AULT, CO 80610-9624

180700527

FETZER JOSHUA C 513 3RD AVE AULT, CO 80610

180700527

FARMERS BANK PO BOX 220 AULT, CO 80610-0220

180700527

GOLDEN WEST PINE MILLS LLC 5411 ARROWHEAD DR GREELEY, CO 80634-9355

180700527

SMITH, PETER TIMOTHY 640 1ST AVE AULT, CO 80610

FETZER, JOSHUA C 513 3RD AVE AULT, CO 80610

180700527

STANLEY, JENNIFER J 420 1ST AVE AULT, CO 80610

180700527

GARCIA APOLONIO PO BOX 474 PIERCE, CO 80650-0474

180700527

CASSON, PATRICIA M 206 2ND ST AULT, CO 80610

180700527

ARMSTRONG, PATRICIA MAY 246 E 4TH STREET AULT, CO 80610

180700527

SANCHEZ, LUCINDA P 242 E 4TH ST AULT, CO 80610

180700527

VISTA DEL SOL LLC 1125 PECAN DR BELLVUE, CO 80512-5681

180700527

KLADY, STANLEY V PO BOX 406 AULT, CO 80610-0406

180700527

RAMIREZ, FRANCISCO 2215 A ST GREELEY, CO 80631-1720

180700527

WOLF, BERNICE G 241 E 1ST ST AULT, CO 80610

180700527

TRIPLE M DEVELOPMENT LLC 6430 EDGEWARE ST FORT COLLINS, CO 80525-4100

180700527

MAESTAS, ROBB 129 ALLISON ST AULT, CO 80610

180700527

TATRO, RONALD L PO BOX 552 AULT, CO 80610-0552

180700527

BOOZE BARN P O BOX 116 GILL, CO 80624

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MCCALL, DIANA JEAN PO BOX 375 AULT, CO 80610-0375

180700527

HILL, C SHARON 261 4TH ST AULT, CO 80610

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OCHOA, SANDY 38996 COUNTY ROAD 33 AULT, CO 80610-9651

180700527

MAESTAS, ROBB A 251 E 3 ST PO BOX 1092 AULT, CO 80610-1092 180700527

HORNER, DONA 122 ALLISON ST AULT, CO 80610

180700527

MILLER, CHARLOTTE K (BN) PO BOX 325 AULT, CO 80610-0325

180700527

GRAY DONNA (LE) 498 HIGHWAY 85 AULT, CO 80610

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CHAPIN, LINDA L PO BOX 53 AULT, CO 80610-0053

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AULT GAS & FOOD MART PO BOX 1496 AULT, CO 80610-1496

180700527

BROYLES, VICKIE M 241 E 2ND ST AULT, CO 80610

180700527

ARCHDIOCESE OF DENVER ATTN: PROPERTY & REAL EST DEPT 1300 S STEELE ST DENVER, CO 80210-2526 180700527

HOTEL DEWITT LLC 229 JEFFERSON ST FORT COLLINS, CO 80524-2412

180700527

OCHS, BRIDGET 231 E 3RD ST AULT, CO 80610

180700527

RAIRDON, ABRAHAM 113 ALLISON ST AULT, CO 80610

180700527

LEGGET, TOMAS 260 4TH ST AULT, CO 80610

180700527

MELLINGER BERNADINE RAMIREZ 266 E 4TH ST AULT, CO 80610

GONZALEZ JIMENEZ ENRIQUE 7750 HENRY ST FORT LUPTON, CO 80621-4250

180700527

CROSSROADS INSURANCE 213 1ST ST EATON, CO 80615-3479

180700527

MASTERCRAFT 221 3RD ST AULT, CO 80610-8500

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CLINE, STANLEY 320 1ST AVE AULT, CO 80610

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JACKSON, FRANKLIN H PO BOX 294 AULT, CO 80610-0294

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TRANQUILINO RAUDEL PO BOX 1064 AULT, CO 80610-1064

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FULLMOON CUSTOMS 115 HIGHWAY 85 AULT, CO 80610

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JABLONSKI, JOHN P PO BOX 543 LYLE, WA 98635-0012

180700527

HENSLEY, BARBARA C 517 HIGHWAY 85 AULT, CO 80610

180700527

DUVALL, ROY D PO BOX 222 AULT, CO 80610-0222

180700527

KJ PROPERTIES LLC 811 SCOTCH PINE DR WINDSOR, CO 80550-2952

180700527

MADRID STACY CLAIRE PO BOX 1044 AULT, CO 80610-1044

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MANWEILER, RICHARD LEE 125 3RD STREET AULT, CO 80610

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SCHULZ OTTILLIE CHRISTINE PO BOX 102 AULT, CO 80610-0102

180700527

MCCRUMB FAMILY TRUST (50%) 1099 ROBBIA DR SUNNYVALE, CA 94087-2832

180700527

RUFF, GRANT A PO BOX 223 AULT, CO 80610-0223

180700527

BLEHM, MARJORIE A 115 2ND ST AULT, CO 80610

180700527

COLD FIRE LLC 116 ALLISON ST AULT, CO 80610

180700527

DANLEY PROPERTIES LLC 406 ELM AVE EATON, CO 80615-3436

180700527

BRADLEY KENNETH PAUL PO BOX 111 AULT, CO 80610-0111

180700527

MASCARENAS, SANDRA KAY PO BOX 1025 AULT, CO 80610-1025

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MEYER, FREIDA MAY PO BOX 382 AULT, CO 80610-0382

180700527

GODBY, C DON 37632 COUNTY ROAD 37 EATON, CO 80615-9016

180700527

BARRETT, VIKI L 508 1ST AVE AULT, CO 80610

180700527

WHITE NANCY J 628 1ST AVE AULT, CO 80610

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NICHOLLS, ALYSON K 114 N 3RD ST AULT, CO 80610-9672

180700527

GODINEZ, ANTONIO C PO BOX 63 AULT, CO 80610-0063

180700527

BOYER, BEVERLY 115 ALLISON ST AULT, CO 80610

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PUSTILNIK LAND & CATTLE LLC 506 CHARRINGTON CT FORT COLLINS, CO 80525-5869

180700527

MILLER ANDREW 114 ALLISON ST AULT, CO 80610

GODBY REAL ESTATE LLC 37632 COUNTY ROAD 37 EATON, CO 80615-9016

180700527

KIMBALL GRANT CLARK PO BOX 1422 AULT, CO 80610-1422

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GAYLE EILEEN PO BOX 72 AULT, CO 80610-0072

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GODBY, HELEN 244 E 3RD ST AULT, CO 80610

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ZUNIGA, MARILYN J 264 E 3RD ST AULT, CO 80610

180700527

DMM HOLDING LLC PO BOX 503 AULT, CO 80610-0503

180700527

ADAMS, ROXANNA LEE 206 3RD ST AULT, CO 80610

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LOPEZ, MELISSA 111 2ND ST AULT, CO 80610

180700527

MUNOZ, EDUARDO 38634 COUNTY ROAD 39 AULT, CO 80610-9603

180700527

GENERATIONAL INVESTMENTS LLC 123 GROVE AVE CEDARHURST, NY 11516-2322

180700527

OCHOA, SANDY 714 JACKIE ANN ST AULT, CO 80610

180700527

MILLER, DANA L 15461 COUNTY ROAD 86 PIERCE, CO 80650-9202

180700527

JUAREZ JOEL NARRANJO PO BOX 1071 AULT, CO 80610-1071

180700527

GODBY, HELEN L 263 E 2ND ST AULT, CO 80610

180700527

DYER, GERRY D DYER, ROBBY G 324 S 1ST AVE AULT, CO 80610-9665 180700527

WALKER, VIRGINIA M PO BOX 188 AULT, CO 80610-0188

180700527

JOHNSON, ANNA CHRISTINE 125 2ND STREET AULT, CO 80610

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NEVERS-BULLOCK TRACY V PO BOX 1303 AULT, CO 80610-1303

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TIMEJARDINE, MARY ELAINE PO BOX 337 AULT, CO 80610-0337

180700527

PEREA ENRIQUE 301 E 1ST ST AULT, CO 80610-9628

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MOBERG DENISE K 260 3RD ST AULT, CO 80610-8500

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PADILLA, GEORGE PO BOX 307 AULT, CO 80610-0307

180700527

TUCKER, MICHAEL R 245 E 2ND AVE AULT, CO 80610

180700527

NEWTON, ROBERT H PO BOX 493 AULT, CO 80610-0493 180700527

HOFFMAN GREGORY 41755 COUNTY ROAD 29 PIERCE, CO 80650-9310

180700527

RUFF, GRANT A PO BOX 223 AULT, CO 80610-0223

180700527

FLADUNG, THOMAS P (BN) PO BOX 1233 AULT, CO 80610-1233

180700527

ERICKSON, HEATHER C 211 2ND ST AULT, CO 80610

180700527

COLORADO DEPT OF HIGHWAYS 4201 E ARKANSAS AVE DENVER, CO 80222-3406

180700527

HILTON, MICHAEL PO BOX 476 AULT, CO 80610-0476

MORADO, CELIA 607 HIGHWAY 85 AULT, CO 80610

180700527

SIMPSON, CHERI RENEE PO BOX 266 AULT, CO 80610-0266

180700527

ELLIOTT, JOHN D 412 1ST AVENUE AULT, CO 80610

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BARNHART, PAULINE I 516 N 1ST AVE AULT, CO 80610

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SMITH, ANNA 255 4TH ST AULT, CO 80610

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BARRON, VICTOR H PO BOX 1122 FORT COLLINS, CO 80522-1122

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VANWINKLE, EVA 411 HIGHWAY 85 AULT, CO 80610

180700527

HIGHLAND FEEDERS INC P O BOX 417 AULT, CO 80610-0417

180700527

CHEANG, BENJAMIN 5362 S LISBON WAY CENTENNIAL, CO 80015-6415

180700527

RENAUD, JAMES E PO BOX 1111 AULT, CO 80610-1111

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PILLER, DIANA L P O BOX 205 AULT, CO 80610-0205

180700527

MORGAN JASON 107 2ND ST AULT, CO 80610

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KINDSFATHER CHARLES RODNEY PO BOX 373 AULT, CO 80610-0373

180700527

ROEL ISAAC C/O MAYRA ARELLANO PO BOX 133 AULT, CO 80610-0133 180700527

NAVARRO, JESSICA 401 N 3RD AVE AULT, CO 80610

180700527

SCHROEDER, TRACY 404 1ST AVE AULT, CO 80610

180700527

ERBELDING, ROBERT W 261 E 2ND ST AULT, CO 80610

180700527

HALE, GARY D 216 1ST STREET AULT, CO 80610

180700527

PITNEY BOWES GLOBAL FINANCIAL SVCS LLC 5310 CYPRESS CENTER DR, STE 110 TAMPA, FL 33609-1057 180700527

CARR SHARON B 1933 MT ZION DR GOLDEN, CO 80401-1760

180700527

YAMADA, THOMAS DEAN PO BOX 442 AULT, CO 80610-0442

180700527

GAME CHANGER AMUSEMENTS P.O BOX 337702 GREELEY, CO 80633-0629

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FLORES FORTUNATO PO BOX 64 AULT, CO 80610-0064

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JOHN, KRISTY L PO BOX 513 AULT, CO 80610-0513

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HELGESON, CINDY 117 FRY STREET AULT, CO 80610

180700527

ROBINSON, SARA J 120 N 3RD AVE AULT, CO 80610-9672

180700527

EL DORADO MEXICAN GRILL DE VALLARTA LLC PO BOX 1162 AULT, CO 80610 180700527

ROHN, JAMES D 213 1ST ST AULT, CO 80610

180700527

VENTURE ENERGY LLC INDEPENDENCE PLAZA B-180, PM#359 1001 16TH STREET DENVER, CO 80202 180700527

CORNERSTONE ENERGY LLC 8952 GANDER VALLEY LANE WINDSOR, CO 80550

EXTRACTION OIL & GAS LLC 370 17TH ST, #5300 DENVER, CO 80202

180700527

LINCOLN ENERGY PARTNERS II LLC 852 BROADWAY, STE. 300 DENVER, CO 80203

180700527

Kent Kuster CDPHE 4300 Cherry Creek Dr. South Denver, CO 80246-1530 180700527 SHARP ENERGY RESOURCES LLC 1801 BROADWAY, STE 400 DENVER, CO 80202

180700527

WYOTEX DRILLING VENTURES LLC P.O. BOX 280969 LAKEWOOD, CO 80228

180700527

Colo. Parks & Wildlife Attn: Brandon Marette 6060 Broadway Denver, CO 80216 180700527 LAND ENERGY INC 1615 CALIFORNIA ST., STE. 702 DENVER, CO 80202

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

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Troy Swain Weld County / Dept. of Planning Services 1555 North 17th Ave. Greeley, CO 80631 180700527

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

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IN THE MATTER OF THE APPLICATION OF EXTRACTION OIL & GAS, INC., FOR AN ORDER ESTABLISHING AN APPROXIMATE 1,600-ACRE DRILLING AND SPACING UNIT FOR SECTION 7 & W¹⁄₂ of SECTION 8, TOWNSHIP 7 NORTH, RANGE 65 WEST, AND SECTION 12, TOWNSHIP 7 NORTH, RANGE 66 WEST, 6TH 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

CAUSE NO. 407 DOCKET NO. *To be determined* TYPE: Spacing

APPLICATION

Extraction Oil & Gas, Inc. ("Extraction" or "Applicant"), Operator #10459, by and through its attorneys, The Shanor Group LLC, respectfully submits this verified 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 N¹/₂ of Section 8, Township 7 North, Range 65 West, 6th P.M., and authorizes the drilling of six horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and Order No. 407-1781 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M., and authorizes the drilling of 16 horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and (2) establishing an approximate 1,600-acre drilling and spacing unit for Section 7 and the W¹/₂ of Section 8, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 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 7:AllSection 8:W1/2

Township 7 North, Range 66 West, 6th P.M. Section 12: All The Application Lands comprise 1,600 acres, more or less, and are depicted on the Application Map, <u>Exhibit A</u>, 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 N¹/₂ 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 N¹/₂ of Section 8, Township 7 North, Range 65 West, 6th P.M., and authorized the drilling of six horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

5. On August 29, 2016, the Commission issued Order No. 407-1781 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M., and authorized the drilling of 16 horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

6. Applicant herein seeks to establish an approximate 1,600-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 either Order No. 407-1000, which authorizes the drilling of six horizontal wells within the approximate 320-acre drilling and spacing unit established for the N¹/₂ of Section 8, Township 7 North, Range 65 West, 6th P.M., or Order No. 407-1781, which authorizes the drilling of 16 horizontal wells within the approximate 1,280-acre drilling and spacing unit established for Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M. Future development of the N¹/₂ of said Section 8 under Order No. 407-1000 and Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M., under Order No. 407-1781 would conflict with Applicant's plan to establish an approximate 1,600-acre drilling and spacing unit for the Application Lands, with authority to drill 20 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation.

7. Accordingly, Applicant herein requests Order No. 407-1000, which established an approximate 320-acre drilling and spacing unit for the N¹/₂ of Section 8, Township 7 North, Range 65

West, 6th P.M., and authorizes the drilling of six horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, be vacated. 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.

8. Further, Applicant herein requests Order No. 407-1781, which established an approximate 1,280-acre drilling and spacing unit for Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M., and authorizes the drilling of 16 horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, be vacated. Vacating Order No. 407-1781 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 1,600-acre drilling and spacing unit for the Application Lands, for production from the Codell-Niobrara Formation

9. Applicant herein seeks the establishment of an approximate 1,600-acre drilling and spacing unit for the Application Lands, and the authority to drill 20 horizontal wells within the proposed unit, for 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.

10. 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 within the proposed unit, without exception being granted by the Director.

11. 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.

* * *

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 <u>Exhibit B</u> and shall submit a certificate of service for the Application (which includes <u>Exhibit B</u>) 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. Vacating Order 407-1000 which, among other things, established an approximate 320acre drilling and spacing unit for the N¹/₂ of Section 8, Township 7 North, Range 65 West, 6th P.M., and authorizes the drilling of six horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and Order No. 407-1781 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Section 7, Township 7 North, Range 65 West, 6th P.M., and Section 12, Township 7 North, Range 66 West, 6th P.M., and authorizes the drilling of 16 horizontal wells within said unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

B. Establishing an approximate 1,600-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 within the proposed unit, without exception being granted by the Director.

C. 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.

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

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DATED this 22nd day of May, 2018.

Respectfully submitted.

EXTRACTION OIL & GAS. IM By:

Robert A. Willis (Colorado Bar #26308) Poulson, Odell & Peterson, LLC 1775 Sherman Street, Suite 1400 Denver, CO 80203 (303) 861-4400 (main) (303) 264-4418 (direct)

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

VERIFICATION

) ss.

STATE OF COLORADO

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. an Flanagan

Subscribed and sworn to before me this $\frac{\partial S^{+}}{\partial t}$ day of May, 2018, by Sean Flanagan, Landman for Extraction Oil & Gas, Inc.

Witness my hand and official seal.

NOTARY ID 20184004172 MY COMMISSION EXPIRES JAN 25, 2022

My commission expires: 61/25/22 HALEY ZEPESKI **NOTARY PUBLIC** STATE OF COLORADO



<u>Exhibit A</u> Application Map 1.1.: I 15 27 I 10 I 22 3 16 4 21 28 I Ì. L 9 Township 7 North, Ranges 65 & 66 West, 6th P.M. I I 17 20 29 j 'n 8 Ē : j..... 7NI-65W 18 I 19 30 L 9 7 7N-66W 12 13 24. 14 25 I - Application Lands - Existing Units 11 14 26 23 2