

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 TWO APPROXIMATE 1,280-ACRE	)	
DRILLING AND SPACING UNITS FOR CERTAIN	)	DOCKET NO. <i>To be determined</i>
LANDS LOCATED IN SECTIONS 5, 6, 7, AND 8,	)	
TOWNSHIP 7 NORTH, RANGE 67 WEST, 6 <sup>TH</sup> P.M.,	)	TYPE: Spacing
AND AUTHORIZING THE DRILLING OF TWENTY	)	
HORIZONTAL WELLS WITHIN EACH UNIT, FOR	)	
PRODUCTION FROM THE CODELL AND	)	
NIORARA FORMATIONS, WATTENBERG FIELD,	)	
WELD COUNTY, COLORADO	)	

**APPLICATION**

Extraction Oil & Gas, Inc. (“Extraction” or “Applicant”), Operator #10459, by and through its undersigned attorneys, 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 No. 407-2503 which established two approximate 1,280-acre stand-up drilling and spacing units for certain lands located in Sections 5, 6, 7, and 8, Township 7 North, Range 67 West, 6<sup>th</sup> P.M., which authorized the drilling of 20 horizontal wells within each proposed unit, for production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation, and (2) establishing two approximate 1,280-acre lay-down drilling and spacing units for certain lands located in said Sections 5, 6, 7, and 8, and authorizing the drilling of 20 horizontal wells within each proposed unit, for production of oil, gas and associated hydrocarbons from the Codell and 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 67 West, 6<sup>th</sup> P.M.

Section 5:	All
Section 6:	All
Section 7:	All
Section 8:	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 and Niobrara Formations.

4. On June 11, 2018, the Commission issued Order No. 407-2503 which, among other things, established two approximate 1,280-acre stand-up drilling and spacing units for the Application Lands (one drilling and spacing unit for Sections 5 & 8, Township 7 North, Range 67 West, 6<sup>th</sup> P.M., and another drilling and spacing unit for Sections 6 & 7, Township 7 North, Range 67 West, 6<sup>th</sup> P.M.), with authority to drill 20 horizontal wells within each unit, for the production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation, with the treated intervals of any permitted well 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 and/or Niobrara Formations.

*Vacating two approximate 1,280-acre drilling and spacing units established for the Application Lands, for production from the Codell-Niobrara Formation*

5. Applicant herein requests two approximate 1,280-acre stand-up drilling and spacing units established by Order No. 407-2503, for the Application Lands (one drilling and spacing unit for Sections 5 & 8, Township 7 North, Range 67 West, 6<sup>th</sup> P.M., and another drilling and spacing unit for Sections 6 & 7, Township 7 North, Range 67 West, 6<sup>th</sup> P.M.), which authorized the drilling of 20 horizontal wells within each unit, for production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation, be vacated. By vacating these units, Applicant will herein propose the establishment of two approximate 1,280-acre lay-down drilling and spacing units for the Application Lands (one drilling and spacing unit for Sections 5 & 6, Township 7 North, Range 67 West, 6<sup>th</sup> P.M., and another drilling and spacing unit for Sections 7 & 8, Township 7 North, Range 67 West, 6<sup>th</sup> P.M.), with authority to drill 20 horizontal wells within each proposed unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations. This proposed development plan will allow the drilling of 20 two-mile laterals running east-to-west or west-to-east within each proposed unit, thereby preventing waste while protecting correlative rights within the proposed unit area.

*Establishment of two approximate 1,280-acre drilling and spacing units for the Application Lands, for production from the Codell and Niobrara Formations*

6. Applicant herein seeks the establishment of two approximate 1,280-acre lay-down drilling and spacing units for the Application Lands as described below (and depicted in Exhibit A attached hereto), and the authority to drill 20 horizontal wells within each proposed unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations:

***Drilling and Spacing Unit #1***

Township 7 North, Range 67 West, 6<sup>th</sup> P.M.

Section 5: All

Section 6: All

***Drilling and Spacing Unit #2***

Township 7 North, Range 67 West, 6<sup>th</sup> P.M.

Section 7: All

Section 8: All

7. 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 each 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 and/or Niobrara Formations, 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 units 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 units 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 eight 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. Vacating Order No. 407-2503 which established two approximate 1,280-acre stand-up drilling and spacing units for certain lands located in Sections 5, 6, 7, and 8, Township 7 North, Range 67

West, 6th P.M., which authorized the drilling of 20 horizontal wells within each proposed unit, for production of oil, gas and associated hydrocarbons from the Codell-Niobrara Formation.

B. Establishing two approximate 1,280-acre drilling and spacing units for the Application Lands as described below, and authorizing the drilling of 20 horizontal wells within each proposed unit, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, 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 and Niobrara Formations, without exception being granted by the Director:

***Drilling and Spacing Unit #1***

Township 7 North, Range 67 West, 6<sup>th</sup> P.M.

Section 5: All

Section 6: All

***Drilling and Spacing Unit #2***

Township 7 North, Range 67 West, 6<sup>th</sup> P.M.

Section 7: All

Section 8: All

C. Limiting the drilling of any permitted wells under this Application to no more than eight multi-well pads either: (1) on lands overlying the drilling and spacing units 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 units with landowner consent, absent exception granted by the Director.

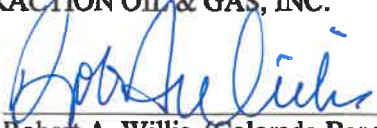
D. For such other findings and orders as the Commission may deem proper or advisable given the premises.

*{Remainder of this page is intentionally left blank}*

DATED this 20<sup>th</sup> day of August, 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) 264-4418

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

Subscribed and sworn to before me this 20<sup>th</sup> day of August 2018, by Sean Flanagan, Landman for Extraction Oil & Gas, Inc.

Witness my hand and official seal.

My commission expires: 1/4/21

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

  
Notary Public



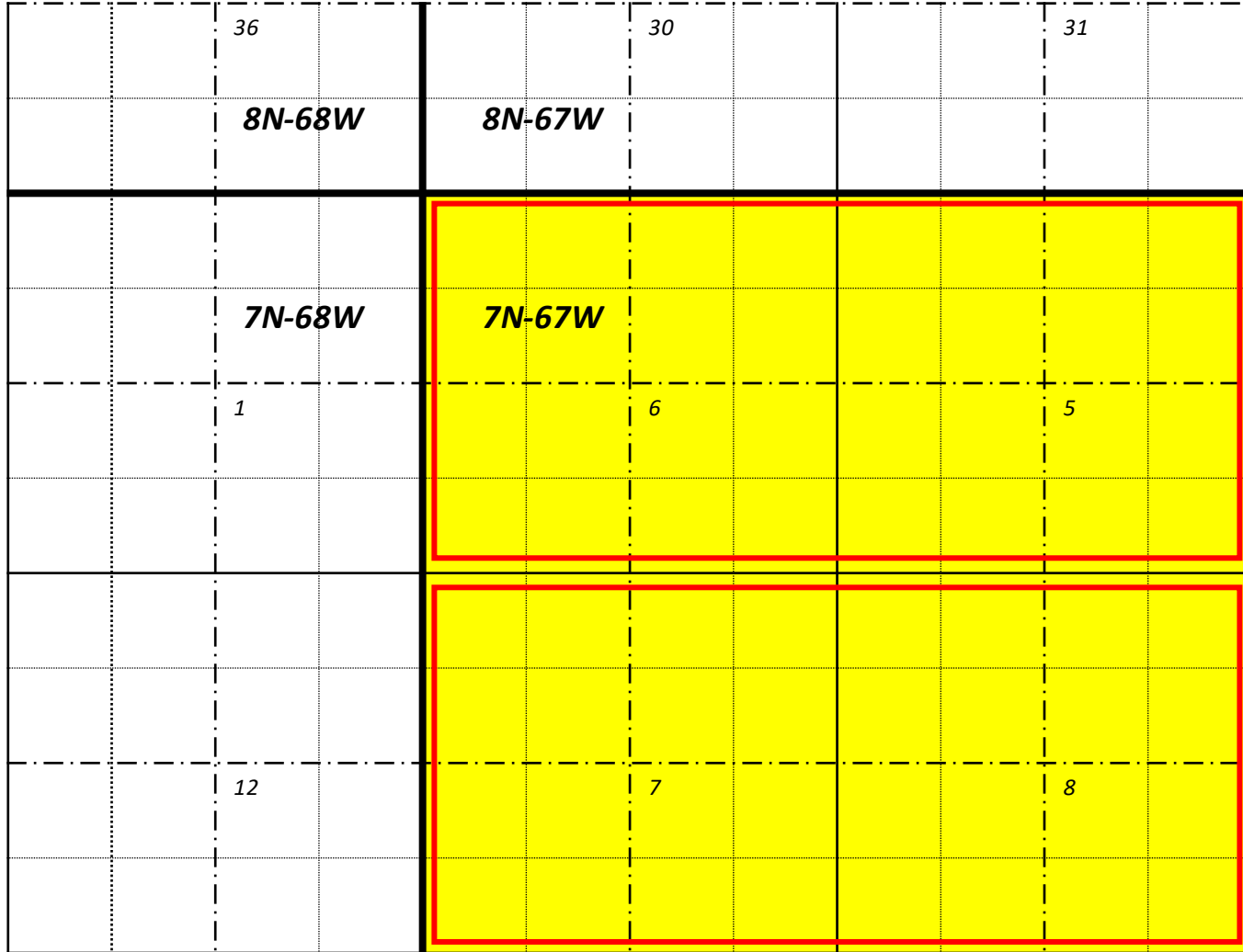
- Application Lands



- Drilling and spacing units

Township 7 North, Range 67 West, 6<sup>th</sup> P.M.

Exhibit A  
Application Map



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OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF )  
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DRILLING AND SPACING UNITS FOR CERTAIN ) DOCKET NO. 181000717  
LANDS LOCATED IN SECTIONS 5, 6, 7, AND 8, )  
TOWNSHIP 7 NORTH, RANGE 67 WEST, 6<sup>TH</sup> P.M., ) TYPE: Spacing  
AND AUTHORIZING THE DRILLING OF TWENTY )  
HORIZONTAL WELLS WITHIN EACH UNIT, FOR )  
PRODUCTION FROM THE CODELL AND )  
NIOBRARA FORMATIONS, WATTENBERG FIELD, )  
WELD COUNTY, COLORADO )

**CERTIFICATE OF MAILING**

I, Bridget Wittrock, hereby certify that on the 21st day of August, 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 Exhibit B attached hereto.

DATED this 21st day of August, 2018.


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

EXHIBIT B

INTERESTED PARTIES

Kerr-McGee Oil & Gas Onshore, LP  
1099 18th Street, Suite 1800  
Denver, CO 80202

181000717

Wolfhawk Energy Holdings LLC  
1580 Lincoln Street, Suite 1110  
Denver, CO 80203

181000717

Patrick J. Micolichek  
41678 CR 13  
Fort Collins, CO 80524

181000717

Grayrock Minerals LLC  
5950 Cedar Springs Rd., Ste. 200  
Dallas, TX 75235

181000717

GBP LLC  
PO Box 1986  
Fort Collins, CO 80522

181000717

K&M Company LLC  
PO Box 449  
Fort Collins, CO 80522

181000717

Roger & Kay Dechario  
601 Gait Circle  
Fort Collins, CO 80254

181000717

HRM Resources II, LLC  
410 17th Street, Suite 1100  
Denver, CO 80202

181000717

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

181000717

Aztec Exploration LLC  
PO Box 621925  
Littleton, CO 80162

181000717

Glays Pfeif  
327 Lilac Place  
Loveland, CO 80537

181000717

Bolton Family Trust  
6176 Pheasant Crest Dr.  
Fort Collins, CO 80524

181000717

The Water Supply & Storage Company  
PO Box 2017  
Fort Collins, CO 80522

181000717

Roberty L. & Barbara L. Winich  
6622 Weld County Rd. 84  
Fort Collins, CO 80254

181000717

Edge Energy II, LLC  
621 17th St., Ste 1401  
Denver, CO 80293

181000717

Note Acquisitions Inc.  
24211 Weld County Rd. 44  
La Salle, CO 80645

181000717

Cornerstone Energy, LLC  
8952 Gander Valley Ln.  
Windsor, CO 80550

181000717

Connie J. Schneider  
41678 CR 13  
Fort Collins, CO 80524

181000717

Bill H. & Marie Cheng  
6514 CR 86  
Fort Collins, CO 80524

181000717

Kenneth J. & Sue K. Kerchenfaut  
41490 CR 13  
Fort Collins, CO 80524

181000717

The Water Supply & Storage Company  
2319 East Mulberry St.  
Fort Collins CO 80254

181000717

Randy Lee & Sandra Kay Fiscus  
843 Sandy Cove Ln  
Fort Collins, CO 80525

181000717

Ironhorse Exploration Partners LLC  
PO Box 100215  
Denver, CO 80250

181000717

J Bruce Douglas Associates LLP  
7392 WCR 84  
Fort Collins, CO 80254

181000717



Barbara J Douglas Trust  
7392 WCR 84  
Fort Collins, CO 80254

181000717

Elizabeth Bullard  
3202 Hearthfire Dr.  
Fort Collins, CO 80254

181000717

Winston Mays  
8801 S. Yale, Ste. 150  
Tulsa, OK 74137

181000717

North Weld County Water District  
32825 CR 39  
Lucerne, CO 80646

181000717

The Evelyn M. Clarke Trust,  
Dated 4/20/1991, With  
Evelyn M. Clarke As Trustee  
1401 Lindenwood Dr.  
Fort Collins, CO 80524 181000717

Kent Kuster  
CDPHE  
4300 Cherry Creek Dr. South  
Denver, CO 80246-1530 181000717

Shawn A. & Tracey W. Douglas  
7496 WCR 84  
Fort Collins, CO 80254

181000717

Helen D. McVey  
11855 Swadley Dr.  
Lakewood, CO 80215

181000717

Jones County Minerals  
1924 South Utica, Ste. 700  
Tulsa, OK 74137

181000717

North Weld County Water District  
PO Box 56  
Lucerne, CO 80646

181000717

Department of Hwy's, State of Colorado  
4201 E. Arkansas Avenue  
Denver, CO 80222

181000717

Colo. Parks & Wildlife  
Attn: Brandon Marette  
6060 Broadway  
Denver, CO 80216 181000717

Aleta Miller  
16487 HWY 14  
Ault, CO 80610

181000717

Everett Ashley  
8801 S. Yale, Ste. 150  
Tulsa, OK 74137

181000717

Poudre Valley Rural  
Electric Association  
PO Box 272550  
Fort Collins, CO 80527 181000717

Weld County  
1150 O St.  
Greeley, CO 80631

181000717

Troy Swain  
Weld County  
Dept. of Planning Services  
1555 North 17th Ave.  
Greeley, CO 80631 181000717