# 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
POOLING ALL INTERESTS WITHIN FOUR	)	
APPROXIMATE 564.842-ACRE RULE 318A.	)	DOCKET NO. To be assigned
HORIZONTAL WELLBORE SPACING UNITS	)	
ESTABLISHED FOR CERTAIN LANDS LOCATED IN	)	TYPE: Pooling
SECTIONS 34 & 35, TOWNSHIP 7 NORTH, RANGE 67	)	
WEST, 6 <sup>TH</sup> P.M., FOR DEVELOPMENT AND OPERATION	)	
OF THE CODELL AND NIOBRARA FORMATIONS, AND	)	
AUTHORIZING COST RECOVERY AND RISK	)	
PENALTIES FROM CERTAIN NONCONSENTING	)	
OWNERS FOR CERTAIN WELLS TO BE DRILLED	)	
WITHIN THE UNITS, WATTENBERG FIELD, WELD	)	
COUNTY, COLORADO	)	

#### APPLICATION

Extraction Oil & Gas, Inc. ("Extraction" or "Applicant"), Operator #10459, by and through its below-signed attorneys, Poulson, Odell & Peterson, LLC, respectfully submits this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission" or "COGCC") for an order pooling all interests within four approximate 564.842-acre Rule 318A. horizontal wellbore spacing units established for certain lands located in Sections 34 and 35, Township 7 North, Range 67 West, 6<sup>th</sup> P.M., for development and operation of the Codell and Niobrara Formations, and authorizing cost recovery and statutory risk penalties from certain nonconsenting owners for certain authorized horizontal wells to be constructed within said units. 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, 6th P.M.

Section 34: E½ NW¼ and NE¼

Section 35: N<sup>1</sup>/<sub>2</sub>

The Application Lands comprise 564.842 acres, more or less. An Application Map depicting the Application Lands is attached hereto and marked <u>Exhibit A</u>.

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 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. Acting pursuant to notice requirements found in Rule 318A.e.(5), Extraction established four approximate 564.842-acre horizontal wellbore spacing units (defined by Rule 318A.a.(4)D.) for the Application Lands, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations. Following the establishment of the units, Extraction submitted four Applications for Permit-to-Drill (one horizontal well per unit), which were subsequently approved by the Director and described in the table below (the "Wells"):

Well Name / Number	API Number	Target Formation
Hergert North 35W-15-4N	05-123-40824	Niobrara
Hergert North 35W-15-5N	05-123-40829	Niobrara
Hergert North 35W-15-7C	05-123-40828	Codell
Hergert North 35W-15-8N	05-123-40827	Niobrara

- 5. Acting pursuant to relevant provisions of §34-60-116(6), C.R.S., Applicant seeks an order pooling all interests in four approximate 564.842-acre Rule 318A. horizontal wellbore spacing units established for the Application Lands, for the development and operation of the Codell and Niobrara Formations.
- 6. Rule 530. provides that an application for involuntary pooling may be filed at any time prior or after the drilling of a well, with any pooling order retroactive to the date the application is filed with the Commission unless the payor agrees otherwise. Extraction will provide Rule 530. well proposal materials to putative nonconsenting owners within four approximate 564.842-acre horizontal wellbore spacing units established for the Application Lands, thereby allowing those owners at least 60 days to make an election as to their participation in the drilling of the Wells, or leasing their interests, if unleased.
- 7. Acting pursuant to §34-60-116(6) & (7), C.R.S., and Rule 530., Applicant hereby seeks an order authorizing cost recovery and statutory risk penalties associated with the drilling, completion and operation of the Wells, from interests belonging to those nonconsenting owners, for development and operation of the Codell and Niobrara Formations.
- 8. The granting of this Application is in accord with the Oil and Gas Conservation Act found at §34-60-101, *et seq.*, C.R.S., and the COGCC rules.
- 9. 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.

10. That the names and addresses of interested parties (those persons who own any interest in the mineral estate of the tracts to be pooled, except owners of overriding royalty interest) according to the information and belief of the Applicant will be set forth in <a href="Exhibit B">Exhibit B</a> and submitted with 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. Pooling all interests in four approximate 564.842-acre horizontal wellbore spacing units established for the Application Lands, for development and operation of the Codell and Niobrara Formations, with the pooling order effective as of the date of the Application.
- B. Providing that the interests of any owners, with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the Wells, for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, having been pooled by operation of statute, pursuant to §34-60-116(6) & (7), C.R.S., are made subject to cost recovery and risk penalties provided therein.
- C. For such other findings and orders as the Commission may deem proper or advisable given the premises.

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DATED this 30th day of August, 2018.

Respectfully submitted,

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) (303) 995-5120 (cell)

Applicant's Address:
Extraction Oil & Gas, Inc.
370 Seventeenth St., 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

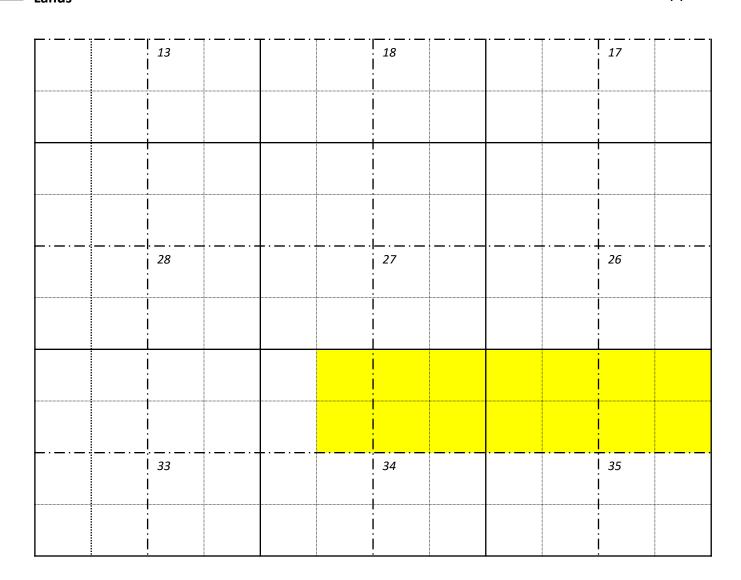
Subscribed and sworn to before me this 292 day of August, 2018, by Sean Flanagan, Landman for Extraction Oil & Gas, Inc.

Witness my hand and official seal.

My commission expires: 1/21/22

JESSE NICOLE SCHMIDT
Notary Public
State of Colorado
Notary ID # 20144002537
My Commission Expires 01-21-2022

Notary Public Schuidt



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IN THE MATTER OF THE APPLICATION OF	)	
EXTRACTION OIL & GAS, INC., FOR AN ORDER	)	CAUSE NO. 407
POOLING ALL INTERESTS WITHIN FOUR	)	
APPROXIMATE 564.842-ACRE RULE 318A.	)	DOCKET NO. 181000827
HORIZONTAL WELLBORE SPACING UNITS	)	
ESTABLISHED FOR CERTAIN LANDS LOCATED IN	)	TYPE: Pooling
SECTIONS 34 & 35, TOWNSHIP 7 NORTH, RANGE	)	
67 WEST, 6 <sup>TH</sup> P.M., FOR DEVELOPMENT AND	)	
OPERATION OF THE CODELL AND NIOBRARA	)	
FORMATIONS, AND AUTHORIZING COST	)	
RECOVERY AND RISK PENALTIES FROM	)	
CERTAIN NONCONSENTING OWNERS FOR	)	
CERTAIN WELLS TO BE DRILLED WITHIN THE	)	
UNITS, WATTENBERG FIELD, WELD COUNTY,	)	
COLORADO	)	

# **CERTIFICATE OF MAILING**

I, Bridget Wittrock, hereby certify that on the 3rd day of May, 2019, I caused a copy of (i) the Application and (ii) the Second Notice of Hearing 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 6th day of May, 2019.

Bridget Wittock

Poulson, Odell & Peterson, LLC 1660 Lincoln Street, Suite 1500 Denver, Colorado 80264

### EXHIBIT B

#### INTERESTED PARTIES

WRCC, Inc. P.O. Box 206 Eaton, CO 80615

Macondo Fund IV Ltd. PO Box 4216 Midland, TX 79704

Clarence David Hergert Trust, originally created October 3, 1997, and amended in total on February 12, 2015
1424 Avenue B
Scottsbluff, NE 69361
181000827

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

Michael T. McDonnell, Successor Trustee of the KWL Trust dtd 6-7-91 5613 DTC Parkway, Suite 1200 Greenwood Village, CO 80111 181000827

Norwest Bank Colorado, N.A. & Harold A. Norblom, Trustees WJ Coulter Trust #4 c/o Kelly Owens 1740 Broadway Denver, CO 80274 181000827

Mountaintop Minerals, LLC 455 Sherman St., Ste. 300 Denver, CO 80203 181000827

Robert W. Willard 2706 North College Drive Durango, CO 81301 181000827 Kidron, LLC 36841 County Road 21 Windsor, CO 80550 181000827

Rearden Minerals, LLC 5914 W. Courtyard Dr. Austin, TX 78730

J. Gale Moody and Valerie A. Moody, joint tenants
P.O. Box 210
Eaton, CO 80615
181000827

Stephen I. Johnson 901 Hagys Ford Road Narbeth, PA 19072 181000827

Gilbert Mineral LLP 68 Indigo Way Castle Rock, CO 80108 181000827

Viola Vestal Coulter Foundation 3004 Viewcrest Dr. N.E. Bremerton, WA 98310

Ann W. Copenhaver, Trustee of Ann W. Copenhaver Trust dtd 9-22-89 710 S. Greenbay Road Lake Forest, IL 60045 181000827

Temple Corporation P.O. Box #28 Kankakee, IL 60901 181000827

Lois Sturgeon 2595 Hawthorne Ave. Boulder, CO 80304

Betty Bechtholdt 4644 West 21st St. Circle Greeley, CO 80201 181000827

Regal Petroleum, L.L.C. PO Box 3126 Houston, TX 77253 181000827

Weld County, Colorado P.O. Box 758 Greeley, CO 80632

AK Resources LLC P.O. Box 6975 Denver, CO 80206 181000827

Eleanor I. Johnson 181 Ivy Street Denver, CO 80220 181000827

Jack D. McDowell and Anne L. McDowell, joint tenants 36990 County Road #21 Windsor, CO 80550 181000827

Anne Tarbel 1423 E. 34th St. Tulsa, OK 74015 181000827 David Alan Tarbel 466 Washington St., Apt. 2W New York, NY 10013

West Slope Energy Partners, LLC 1515 Wynkoop St., Ste. 700 Denver, CO 80202

Heirs/Devisees of Florence M. Schmidt, deceased 4440 Upham Wheatridge, CO 80033 181000827

LBGems, LLC 1955 Mooringline Dr. Vero Beach, FL 32963

Arthur A. Schulte, Jr. & Ruth E. Schulte, Trustees of the Arthur A. Schulte, Jr. & Ruth E. Schulte LT dtd 2-1-10 15936 NW Tullamorrie Way Portland, OR 97229 181000827

Mary Jo Schuman Rev. Trust dtd 01-20-05, Leo M Schuman TTEE 4013 NE 32nd Pl. Portland, OR 97212 181000827

Kenneth L. Schulte 1555 S. Center St. Casper, WY 82601

Thomas W. Schulte 1736 S. McKinley Casper, WY 82601

Mary O. Jones, a/k/a Mary O. Lang 1414 E. Fremont Los Altos, CA 94022 181000827 Elizabeth Tarbel Griffin 4 Miriam Ct. Longview, TX 75605

Thomas P. O'Rourke c/o First National Bank of Denver 1573 Market St. Denver, CO 80202 181000827

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Brian Lute Morton 821 N. Fox St. Denver, CO 80204 181000827

Margaret C. Tobin, Trustee of the Margaret C. Tobin RT dtd 3-26-96 2485 Park St. Laramie, WY 82070 181000827

Frank L. Schulte, Jr. 10998 Gray Circle Westminster, CO 80020 181000827

Steven Lynn Holt & Mary Schulte Holt, Trustees of Steven Lynn Holt & Mary Schulte Holt Living Trust, dtd 3-8-17 1811 South Walnut Casper, WY 82601 181000827

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Heirs/Devisees of Eva Reider, dec. 738 East 6th Street Loveland, CO 80537

Hampton Royalties, LLC 1855 40th Avenue Greeley, CO 80634 181000827

Leonard E. Brunner P.O. Box 377323 Ocean View, HI 96737

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301 Immigrant Trail
Severance, CO 80546
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Heirs/Devisees of Katie Rothe, dec. 1902 27th Avenue Greeley, CO 80634

Wade R. Hill 8952 Gander Valley Lane Windsor, CO 80550 181000827 Reichert Living Trust 1309 Woodview Place Fort Collins, CO 80526

Heirs/Devisees of Emma Lahnert, dec. Star Route Box 20 Amherst, CO 80721 181000827

Lea Brunner a/k/a Lea Brunner Moore 916 Engleman Place Loveland, CO 80537 181000827

Reservoir Energy 700 Automation Dr., Ste H Windsor, CO 80550 181000827

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

IN THE MATTER OF THE PROMULGATION AND	)	CAUSE NO. 407
ESTABLISHMENT OF FIELD RULES TO	)	
GOVERN OPERATIONS FOR THE CODELL AND	)	DOCKET NO. 181000827
NIOBRARA FORMATIONS, WATTENBERG	)	
FIELD, WELD COUNTY, COLORADO	)	TYPE: POOLING

# **CERTIFICATE OF MAILING**

I, Bridget Wittrock, hereby certify that on the 23rd day of July, 2019, I caused a copy of (i) the Application and (ii) the Third Notice of Hearing in the above-referenced Docket Number to be deposited in the U.S. Mail, postage prepaid, addressed to the parties listed on <a href="Exhibit B">Exhibit B</a> attached hereto.

DATED this 23rd day of July, 2019.

Bridget Wittrock

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