

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 564.095-ACRE RULE 318A.	)	DOCKET NO. <i>To be assigned</i>
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 564.095-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, 6<sup>th</sup> P.M.  
Section 34: E½ SW¼ and SE¼  
Section 35: S½

The Application Lands comprise 564.095 acres, more or less. An Application Map depicting the Application Lands is attached hereto and marked Exhibit A.

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 564.095-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”):

<i>Well Name / Number</i>	<i>API Number</i>	<i>Target Formation</i>
Hergert South 35W-15-5N	05-123-45901	Niobrara
Hergert South 35W-15-7C	05-123-45907	Codell
Hergert South 35W-15-8N	05-123-45902	Niobrara
Hergert South 35W-15-10N	05-123-45906	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 564.095-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 the four approximate 564.095-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 Exhibit B 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 564.095-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.

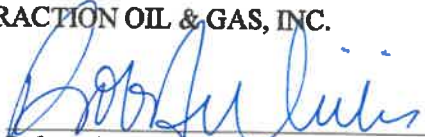
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DATED this 30<sup>th</sup> day of August, 2018.

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) 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

)

CITY & COUNTY OF DENVER

) ss.

)

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.

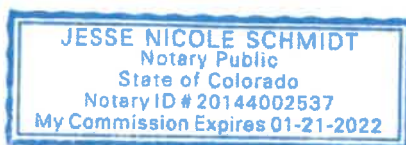
EXTRACTION OIL & GAS, INC.

  
Sean Flanagan

Subscribed and sworn to before me this 29<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: 1/21/22



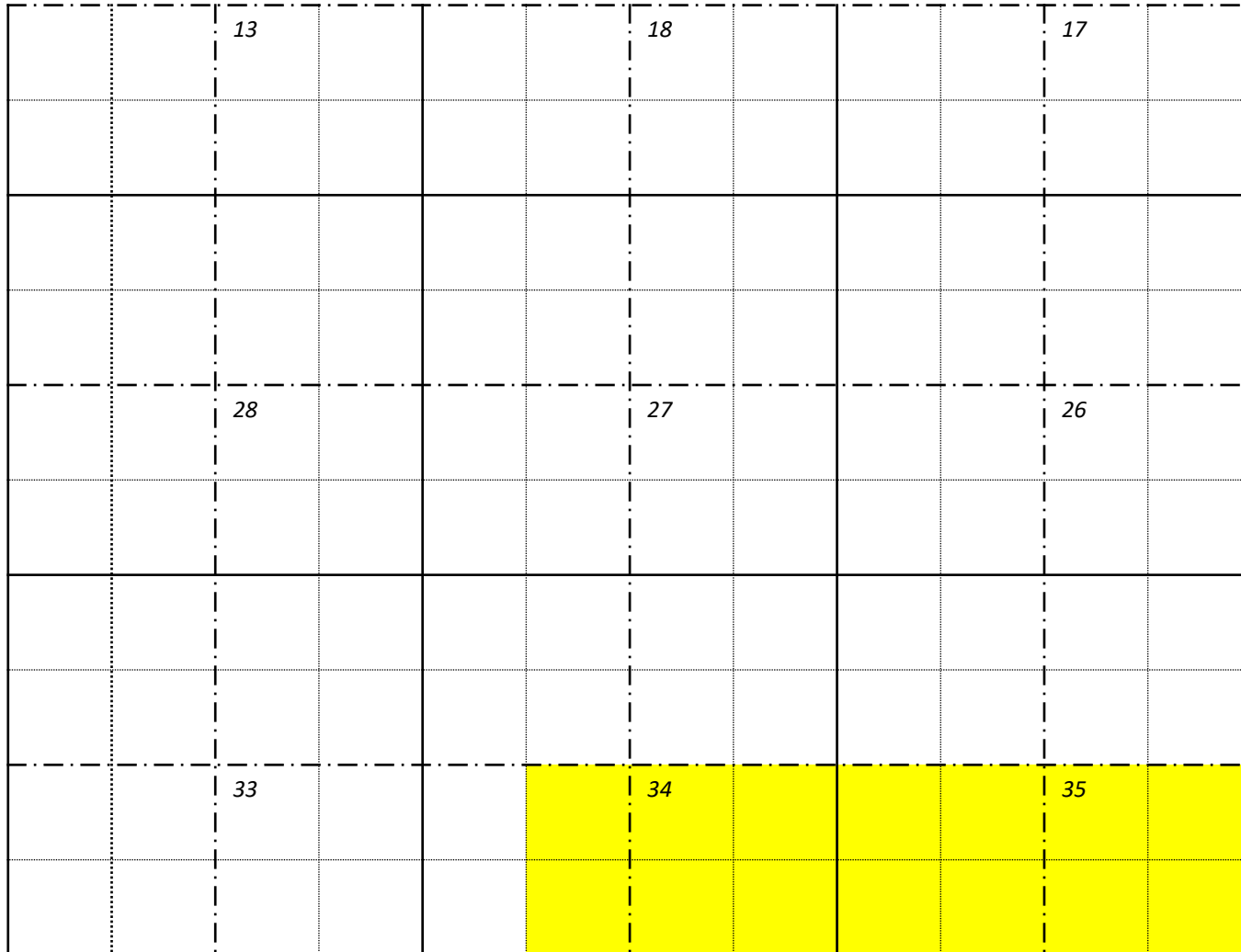
  
Notary Public



**Application  
Lands**

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

**Exhibit A**  
Application Map



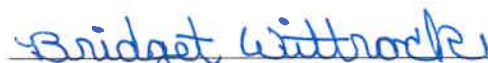
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OPERATION OF THE CODELL AND NIOBRARA	)	
FORMATIONS, AND AUTHORIZING COST	)	
RECOVERY AND RISK PENALTIES FROM	)	
CERTAIN NONCONSENTING OWNERS FOR	)	
CERTAIN WELLS TO BE DRILLED WITHIN THE	)	
UNITS, WATTENBERG FIELD, WELD COUNTY,	)	
COLORADO	)	

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

EXHIBIT B

INTERESTED PARTIES

Extraction Oil & Gas, Inc.  
370 17th Street, Suite 5300  
Denver, CO 80202  
181000829

J. Gale Moody and Valerie A.  
Moody, joint tenants  
P.O. Box 210  
Eaton, CO 80615 181000829

WRCC, Inc.  
P.O. Box 206  
Eaton, CO 80615  
181000829

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P.O. Box 1150  
Greeley, CO 80632  
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Deerfield Beach, FL 33442  
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Michael G. Galbreath  
1323 Harlow Lane #5  
Loveland, CO 80537  
181000829

G&L Oil 8, LLC  
6678 Algonquin Drive  
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181000829

Temple Corporation  
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181000829

Great Western Railway of  
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252 Clayton St., 4th Floor  
Denver, CO 80206 181000829

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6215 Ridgewood  
Columbia, MO 65203  
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Gregg K. Newby  
16202 WCR 15  
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12260 WCR 5  
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1670 W. Amos Drive  
Columbia, MO 65203  
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Abdiel Holdings LLC  
10845 County Road 74  
Severance, CO 80524  
181000829

Town of Severance, Colorado  
P.O. Box 339  
Severance, CO 80546  
181000829

North CO Properties, LLC  
9969 County Road 74  
Windsor, CO 80550  
181000829

Bart Martinez & Jamie Lee Martinez  
a/k/a Jamie Lee White-Martinez, jts  
P.O. Box 358  
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Weld County, Colorado  
P.O. Box 758  
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Barbara Lee Gomez  
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Grayrock Minerals, LLC  
5950 Cedar Springs Rd., Ste 200  
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1001 16th Street, Ste. B-180, No. 155  
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6479 W Caley Place  
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Raisa II, LLC  
PO Box 987  
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Cornerstone Energy, LLC  
8952 Gander Valley Lane  
Windsor, CO 80550  
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BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

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ESTABLISHMENT OF FIELD RULES TO	)	
GOVERN OPERATIONS FOR THE CODELL AND	)	DOCKET NO. 181000829
NIOBRARA FORMATIONS, WATTENBERG	)	
FIELD, WELD COUNTY, COLORADO	)	TYPE: POOLING

**CERTIFICATE OF MAILING**

I, Bridget Wittrock, hereby certify that on the 24th 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 Exhibit B attached hereto.

DATED this 24th day of July, 2019.

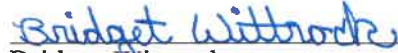
  
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