

**BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF AN APPLICATION BY
EXTRACTION OIL & GAS INC. FOR AN ORDER
AMENDING CERTAIN PORTIONS OF ORDER NO.
407-2531 TO AMEND THE APPLICATION LANDS
AND WELL NAME ONLY AS TO WELLBORE
SPACING UNIT NO. 2, FOR DEVELOPMENT OF THE
NIOBRARA FORMATION, WATTENBERG FIELD,
WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO.

TYPE: POOLING

APPLICATION

Extraction Oil & Gas Inc. (Operator No. 10311) ("Extraction" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order amending certain portions of Order No. 407-2531 only as to Wellbore Spacing Unit No. 2, to amend the Application Lands and the well name, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. In support of its 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 Commission.
2. Applicant is an owner in the below-listed lands:

Township 4 North, Range 68 West, 6th P.M.

Section 7: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 8: S $\frac{1}{2}$ S $\frac{1}{2}$

Section 9: S $\frac{1}{2}$ S $\frac{1}{2}$

Section 16: N $\frac{1}{2}$ N $\frac{1}{2}$

Section 17: N $\frac{1}{2}$ N $\frac{1}{2}$

Section 18: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Approximately 720 acres, more or less Weld County, Colorado.

These lands are hereinafter referred to as the "Application Lands" and depicted in Exhibit A attached hereto. The Applications Lands comprise the designated horizontal wellbore spacing unit established for the Trott 17E-20-19N Well.

3. On April 27, 1998, 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 of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A. was amended 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 to, among other things, address drilling of horizontal wells. The Application Lands are subject to Rule 318A.

4. On July 24, 2017, the Commission entered Order No. 407-2531 which, among other things, pooled all interests in two approximate 400-acre wellbore spacing units for the below-described lands for the development and operation of the Niobrara Formation:

Township 4 North, Range 68 West, 6th P.M.

Section 7: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 8: S $\frac{1}{2}$ S $\frac{1}{2}$

Section 17: N $\frac{1}{2}$ N $\frac{1}{2}$

Section 18: NE $\frac{1}{4}$ NE $\frac{1}{4}$

Wellbore Spacing Unit ("WSU") Nos. 1-2

Trott 8E-10-17N Well (Niobrara Formation)

Trott 17E-10-19N Well (Niobrara Formation)

Approximately 400 acres, more or less, in Weld County, Colorado.

5. As originally proposed, the Trott 17E-10-19N Well was planned as a one-mile lateral well. In April 2018, Extraction re-filed the Form 2, Application for Permit to Drill ("APD"), for the Trott 17E-10-19N Well altering the proposed length to a two-mile lateral well extending into portions of Sections 9 and 16 of the Application Lands, thus resulting in a modification to the wellbore spacing unit and name change for the well. See Exhibit B, Spacing Unit Map; Exhibit C, Approved APD.

6. Applicant notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A.e.(5) for the Trott 17E-20-19N Well. Applicant did not receive objections to the establishment of the proposed two-mile horizontal wellbore spacing unit within the 30-day response period. The Commission has approved the APD for the Trott 17E-20-19N Well, API No. 05-123-45718.

7. Applicant requests Order No. 407-2531 be amended to modify WSU No. 2, thereby pooling the interests for the Application Lands for development and operation of the Niobrara Formation, effective as of the earlier of the date of Order No. 407-2531, or the date the costs specific in §34-60-116(7)(b), C.R.S., were first incurred for the drilling of the Trott 17E-20-19N Well.

8. Further, Applicant requests 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 Trott 17E-20-19N Well, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date the costs specified in §34-60-116(7)(b), C.R.S., are first incurred for the drilling of the Trott 17E-20-19N Well.

9. The granting of this Application is in accordance with the Oil and Gas Conservation Act, found at §§34-60-101, *et seq.*, C.R.S., and the Commission rules.

10. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.

11. The undersigned certifies that copies of this Application will be served on each interested party as required by Rules 507.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing, this Commission enter its order:

A. Amending Order No. 407-2531 to account for the adjustment to WSU No. 2 and well name change, thereby pooling the interests in the Application Lands for development and operation of the Niobrara Formation, effective as of the earlier of the date of Order No. 407-2531, or the date the costs specific in §34-60-116(7)(b), C.R.S., were first incurred for the drilling of the Trott 17E-20-19N Well.

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 Trott 17E-20-19N Well are made subject to the cost recovery provisions of §34-60-116(7), C.R.S., effective as of the earlier of the date of the Application, or the date the costs specified in §34-60-116(7)(b), C.R.S., are first incurred for the drilling of the Trott 17E-20-19N Well.

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

DATED this 25th day of January, 2019.

Respectfully submitted,

EXTRACTION OIL & GAS INC.

By: Jilliana Rittenhouse
Jillian Fulcher
Jobediah J. Rittenhouse
Beatty & Wozniak, P.C.
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Applicant's Address:
Extraction Oil & Gas Inc.
ATTN: Jason Rayburn
370 17th Street, Suite 5300
Denver, CO 80202

VERIFICATION

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

Jason Rayburn, Staff 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.

Jason Rayburn

Subscribed and sworn to before me this 25 day of January, 2019, by Jason Rayburn, Staff Landman for Extraction Oil & Gas Inc.

Witness my hand and official seal.

My commission expires: 4/18/2022

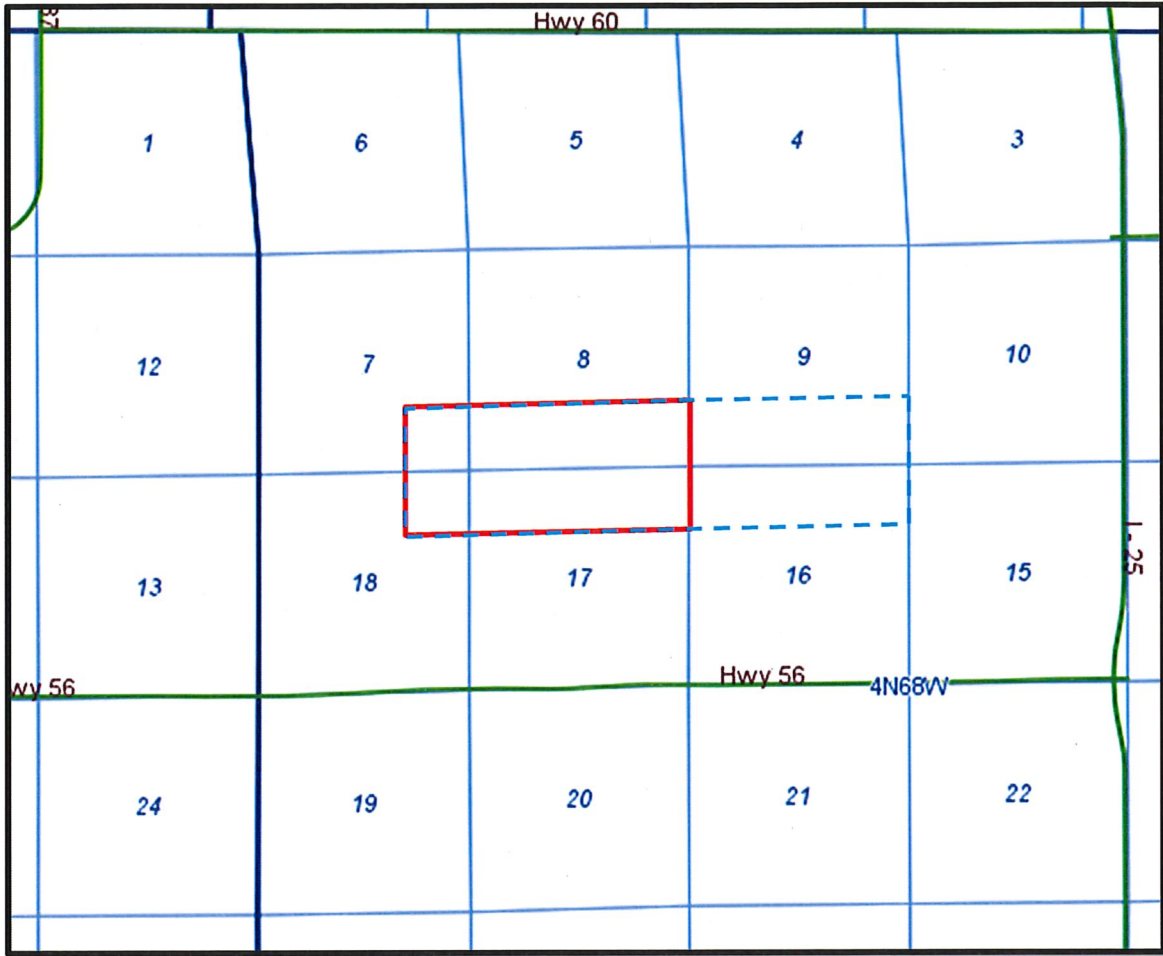
Notary Public

Angela Christine Nickel

**ANGELA CHRISTINE NICKEL
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20184003200
MY COMMISSION EXPIRES JANUARY 18, 2022**

EXHIBIT A

Reference Map for Pooling Application



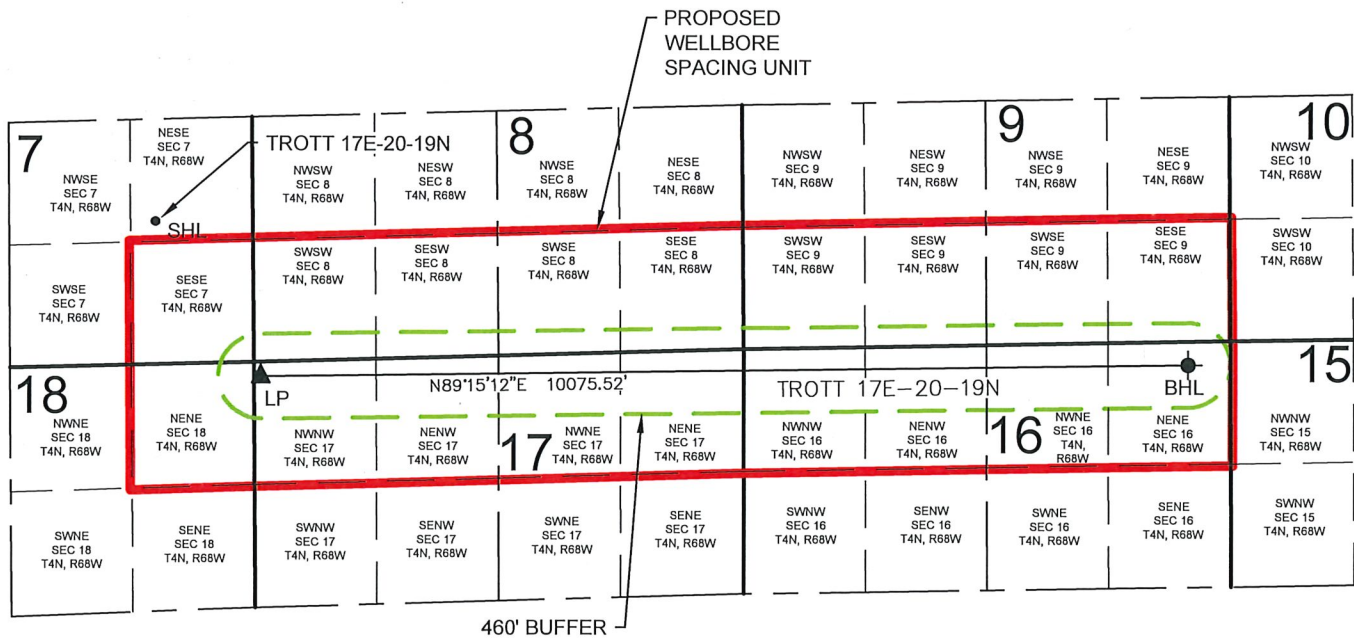
= WSU No 1 Lands



= WSU No 2 Lands and Application Lands

EXHIBIT B

TROTT 7-L PAD
 PROPOSED 318A.a.(4)D. SPACING UNIT
 SEC 7: SE4SE4
 SEC 8: S2S2
 SEC 9: S2S2
 SEC 16: N2N2
 SEC 17: N2N2
 SEC 18: NE4NE4

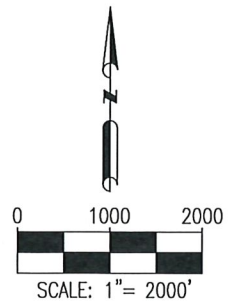


TROTT 17E-20-19N WELL TO BE LOCATED 1549' FSL AND 1056' FEL, SEC 7, T4N, R68W

LEGEND

- = PROPOSED WELL
- = SHL = SURFACE HOLE LOCATION
- = BOTTOM HOLE
- = BHL = BOTTOM HOLE LOCATION
- = LANDING POINT
- = LP = LANDING POINT

DISCLAIMER:
 THIS PLOT DOES NOT REPRESENT A MONUMENTED LAND SURVEY AND SHOULD NOT BE
 RELIED UPON TO DETERMINE BOUNDARY LINES, PROPERTY OWNERSHIP OR OTHER
 PROPERTY INTERESTS. PARCEL LINES, IF DEPICTED HAVE NOT BEEN FIELD VERIFIED AND
 MAY BE BASED UPON PUBLICLY AVAILABLE DATA THAT ALSO HAS NOT BEEN
 INDEPENDENTLY VERIFIED.



FIELD DATE:
04-05-17

DRAWING DATE:
02-12-18

BY:
FWM

CHECKED BY:
MMP

SITE NAME:
TROTT 7-L PAD

SURFACE LOCATION:
NE 1/4 SE 1/4 SEC 7, T4N, R68W, 6TH P.M.
WELD COUNTY, COLORADO

PREPARED FOR:



EXHIBIT C

FORM 2 Rev 08/16

State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number: 401572935

APPLICATION FOR PERMIT TO:

Drill (checked) Deepen Re-enter Recomplete and Operate

Date Received: 04/03/2018

TYPE OF WELL OIL (checked) GAS COALBED OTHER

Refiling (checked)

ZONE TYPE SINGLE ZONE (checked) MULTIPLE ZONES COMMINGLE ZONES

Sidetrack

Well Name: Trott Well Number: 17E-20-19N Name of Operator: EXTRACTION OIL & GAS INC COGCC Operator Number: 10459 Address: 370 17TH STREET SUITE 5300 City: DENVER State: CO Zip: 80202 Contact Name: Alyssa Andrews Phone: (720)481-2379 Fax: () Email: aandrews@extractionog.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20130028

WELL LOCATION INFORMATION

QtrQtr: NESE Sec: 7 Twp: 4N Rng: 68W Meridian: 6

Latitude: 40.324432 Longitude: -105.040685

Footage at Surface: 1549 Feet FNL/FSL FSL 1056 Feet FEL/FWL FEL

Field Name: WATTENBERG Field Number: 90750

Ground Elevation: 5034 County: WELD

GPS Data:

Date of Measurement: 04/05/2017 PDOP Reading: 1.2 Instrument Operator's Name: A. Rivera

If well is Directional Horizontal (highly deviated) submit deviated drilling plan.

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL 158 FNL 75 FWL 254 FNL 460 FEL Sec: 17 Twp: 4N Rng: 68W Sec: 16 Twp: 4N Rng: 68W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: Fee (checked) State Federal Indian

The Surface Owner is: (checked) is the mineral owner beneath the location. (checked) is committed to an Oil and Gas Lease. (checked) has signed the Oil and Gas Lease. is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: Fee (checked) State Federal Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: No

The right to construct the Oil and Gas Location is granted by: Surface Use Agreement

Surface damage assurance if no agreement is in place: Surface Surety ID:

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

Sec. 8-4N-68W: S/2

Total Acres in Described Lease: 320 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 548 Feet
 Building Unit: 687 Feet
 High Occupancy Building Unit: 5280 Feet
 Designated Outside Activity Area: 5280 Feet
 Public Road: 1051 Feet
 Above Ground Utility: 799 Feet
 Railroad: 5280 Feet
 Property Line: 224 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
 - Enter 5280 for distance greater than 1 mile.
 - Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
 - Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: Buffer Zone
 Exception Zone
 Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
 - Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
 - Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: 06/14/2017

SPACING and UNIT INFORMATION

Distance from completed portion of proposed wellbore to nearest completed portion of offset wellbore permitted or completed in the same formation: 374 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 460 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

Proposed Spacing Unit:
 Section 7-4N-68W: SESE
 Section 8-4N-68W: S/2S/2
 Section 9-4N-68W: S/2S/2
 Section 16-4N-68W: N/2N/2
 Section 17-4N-68W: N/2N/2
 Section 18-4N-68W: NENE

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
NIOBRARA	NBRR		720	GWA

DRILLING PROGRAMProposed Total Measured Depth: 16675 Feet

Distance from the proposed wellbore to nearest existing or proposed wellbore belonging to another operator, including plugged wells:

Enter distance if less than or equal to 1,500 feet: _____ Feet No well belonging to another operator within 1,500 feetWill a closed-loop drilling system be used? YesIs H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H₂S Drilling Operations Plan)Will salt sections be encountered during drilling? NoWill salt based (>15,000 ppm Cl) drilling fluids be used? NoWill oil based drilling fluids be used? YesBOP Equipment Type: Annular Preventor Double Ram Rotating Head None**GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING**Water well sampling required per Rule 318A**DRILLING WASTE MANAGEMENT PROGRAM**Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial DisposalCuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Beneficial reuse or land application plan submitted? _____

Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	24	16	42	0	80	100	80	0
SURF	12+1/4	9+5/8	36	0	1532	525	1532	0
1ST	8+1/2	5+1/2	20	0	16675	2211	16675	1500

 Conductor Casing is NOT planned**DESIGNATED SETBACK LOCATION EXCEPTIONS**

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- Rule 318A.a. Exception Location (GWA Windows).
- Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

OTHER LOCATION EXCEPTIONS

Check all that apply:

Rule 318.c. Exception Location from Rule or Spacing Order Number _____

Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments

Distance from completed portion to nearest completed portion of wellbore permitted/completed in the same formation: 374' (Ref. well: Trott 8E-10-17N)
 Distance to nearest wellbore belonging to another operator: There are no wells belonging to another operator within 1500'
 *2-D distances used

The purpose of this refile is to extend the lateral to two miles. Only the bottom hole is changing. The surface location and the top of production are the same. Directional plans and casing have been updated. No wells have been added to the offset well evaluation attached to the scout card.

New 30 day PSU notices were sent and no objections were received. New Proposed Spacing Unit letter to the director is attached.

The well name has been updated.

The Surface Use Agreement is attached to the scout card.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 452694

Is this application being submitted with an Oil and Gas Location Assessment application? No

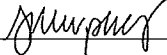
I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Alyssa Andrews

Title: Regulatory Analyst Date: 4/3/2018 Email: aandrews@extractionog.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: 

Director of COGCC Date: 4/27/2018

Expiration Date: 04/26/2020

API NUMBER
05 123 45718 00

Conditions Of Approval

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

<u>COA Type</u>	<u>Description</u>
	Bradenhead tests shall be performed and reported according to the following schedule and Form 17 submitted within 10 days of each test: 1) Within 60 days of rig release and prior to stimulation or 2) If a delayed completion, 6-7 months after rig release and prior to stimulation. 3) Within 30 days after first production, as reported on Form 5A.
	1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU (Spud Notice), for the first well/activity on the pad and provide 48 hour spud notice for all subsequent wells drilled on the pad. 2) Comply with Rule 317.j and provide cement coverage from the end of production casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
	OGLA review: Operator will follow BMPs on the associated 2A for location 452694.
	This Permit to Drill is approved subject to all the BMPs and COAs on the most recently approved Form 2A and any subsequently approved Form 4 for the Oil and Gas Location. The most recently approved Form 2A and any subsequent Form 4s containing applicable COAs for this location shall be posted onsite during construction, drilling, and completions operations.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Drilling/Completion Operations	Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling.
2	Drilling/Completion Operations	Operator acknowledges and will comply with COGCC policy for Bradenhead Monitoring during Hydraulic Fracturing treatments in the Greater Wattenberg Area dated May 29, 2012.
3	Drilling/Completion Operations	317.p One of the first wells drilled on the pad will be logged with open-hole Resistivity Log and Gamma Ray Log from the kick-off point into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without open-hole logs shall clearly state "No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.

Total: 3 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.
http://cogcc.state.co.us/documents/reg/Policies/Wildlife_Notice.pdf

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401572935	FORM 2 SUBMITTED

401572979	WELL LOCATION PLAT
401573010	OffsetWellEvaluations Data
401573011	DIRECTIONAL DATA
401573012	DEVIATED DRILLING PLAN
401574009	PROPOSED SPACING UNIT
401623005	OFFSET WELL EVALUATION

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed	04/27/2018
Engineer	Offset Wells Evaluated.	04/27/2018
Permit	Open Hole Logging BMP submitted by operator. Permitting Review Complete.	04/19/2018
Permit	Passed Completeness.	04/03/2018

Total: 4 comment(s)