

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

IN THE MATTER OF THE APPLICATION OF
EXTRACTION OIL & GAS, LLC FOR AN
ORDER TO POOL ALL INTERESTS IN AN
APPROXIMATE 320-ACRE DESIGNATED
WELLBORE SPACING UNIT ESTABLISHED
FOR SECTIONS 13 AND 24, TOWNSHIP 6
NORTH, RANGE 67 WEST, 6TH P.M., FOR
THE CODELL FORMATION, WATTENBERG
FIELD, WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW Extraction Oil & Gas, LLC ("Applicant"), by its attorney, Gretchen VanderWerf, PC, and makes this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order pooling all interests in an approximate 320-acre designated wellbore spacing unit for the drilling of the Rubyanna 13C-32W Well ("Well") for the development of the Codell Formation on the following described lands:

Township 6 North, Range 67 West, 6th P.M.

Section 13: S $\frac{1}{2}$ S $\frac{1}{2}$

Section 24: N $\frac{1}{2}$ N $\frac{1}{2}$

Weld County, Colorado
(the "Application Lands").

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado and is a registered operator in good standing with the Commission.
2. Applicant owns certain leasehold interests in the Application Lands.
3. On February 19, 1992, the Commission issued Order No. 407-87 (amended August 20, 1993) which, among other things, established 80-acre drilling and spacing units for the production of oil and/or gas from the Codell Formation underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1.
4. 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 for the Codell Formation.
5. Applicant designated an approximate 320-acre wellbore spacing unit as defined below, for the production of oil, gas, and associated hydrocarbons from the Codell Formation pursuant to Rule 318A, and notified the appropriate parties under Rule 318A.

6. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order to pool all interests, including but not limited to, any nonconsenting interests, in the Application Lands for the development of the Codell Formation underlying the following approximate 320-acre designated wellbore spacing unit:

Township 6 North, Range 67 West, 6th P.M.

Section 13: S $\frac{1}{2}$ S $\frac{1}{2}$

Section 24: N $\frac{1}{2}$ N $\frac{1}{2}$

(the "Wellbore Spacing Unit")

7. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Well in the Codell Formation on the Application Lands..

8. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as required by Rule 507.b.(2), and that at least thirty (30) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the Well, and will be provided with the information required by Rule 530, as applicable. The list of such interested parties is attached hereto as Exhibit A.

9. That in order to prevent waste and to protect correlative rights, all interests in the Wellbore Spacing Unit should be pooled for the orderly development of the Codell Formation, including any nonconsenting interests therein.

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

A. Pooling all interests in the Application Lands and the Wellbore Spacing Unit for the development of the Codell Formation;

B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that any of the costs specified in C.R.S. § 34-60-116 (7)(b)(II) are first incurred for the drilling of the Well to the Codell Formation on the Application Lands;

C. 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 Well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(6) and (7), and made subject to the cost recovery provisions thereof with respect to the Well drilled to develop the Codell Formation on the Application Lands;

D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in December, 2013, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: October 17, 2013.

Respectfully submitted,

Extraction Oil & Gas, LLC.

By: /s/ Gretchen VanderWerf
Gretchen VanderWerf
Gretchen VanderWerf, PC
Attorney for Applicant
1525 17th Street
Denver, Colorado 80202
Phone: 303-298-9939

Applicant's Address:

Extraction Oil & Gas, LLC
Attn: Mark J. Choury
1888 Sherman Street, Suite 500
Denver, Colorado 80203

VERIFICATION

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

Mark J. Choury, of lawful age, being first duly sworn upon oath, deposes and says that he is the Vice President of Land and Business Development for Extraction Oil & Gas, LLC, and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

By: /s/ Mark J. Choury
Mark J. Choury

Subscribed and sworn to before me this 16th day of October, 2013.

Witness my hand and official seal.

My commission expires: 02-07-2016

/s/ Rebecca E. Van Blaricom
Notary Public