

**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 **ESTABLISH POOL** ~~ALL~~  
~~INTERESTS IN AN APPROXIMATE 320-ACRE~~  
~~DESIGNATED~~ HORIZONTAL DRILLING AND  
SPACING UNIT FOR IN SECTION 13,  
TOWNSHIP 6 NORTH, RANGE 67 WEST, 6TH  
P.M., **AND TO POOL ALL INTERESTS** FOR  
THE CODELL AND NIOBRARA FORMATIONS,  
WATTENBERG FIELD, WELD COUNTY,  
COLORADO

CAUSE NO. 407

DOCKET NO. 1312-SP-1214

**AMENDED APPLICATION**

COMES NOW Extraction Oil & Gas, LLC ("Applicant"), by its attorney, Gretchen VanderWerf, PC, and submits its Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to ~~pool all interests in~~ **establish** an appropriate 320-acre ~~designated~~ horizontal drilling and spacing unit ~~established for in~~ the S½ of Section 13, Township 6 North, Range 67 West, 6th P.M., **and to pool all interests** for the development of the Codell and Niobrara Formations. In support of its Application, Applicant states and alleges as follows:

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 following described lands:

Township 6 North, Range 67 West, 6th P.M.  
Section 13: S½

Weld County, Colorado

(the "Application Lands.")

3. On December 19, 1983, the Commission issued Order No. 407-1 (amended March 29, 2000) which, among other things, established 80-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Codell Formation, with the unit to be designated by the operator drilling the first well in the quarter section. The permitted well shall be located in the center of either 40-acre tract within the unit with a tolerance of 200 feet in any direction. The operator shall have the option to drill an additional well on the undrilled 40-acre tract in each 80-acre drilling and spacing unit. The Application Lands are subject to this Order for the Codell and Niobrara Formations.

4. 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, gas and associated hydrocarbons from the Codell-Niobrara Formation, with the permitted well locations in accordance with the provisions of Order No. 407-1. The Application Lands are subject to this Order for the Codell and Niobrara Formations.

5. 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 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.

6. Pursuant to Rule 318A.a.(4)(D.), where a drilling and spacing unit does not exist for a horizontal well, as in the present case, a horizontal wellbore spacing unit shall be designated by the operator for each proposed horizontal well. The horizontal wellbore spacing unit shall be comprised of the governmental quarter-quarter sections in which the wellbore lateral penetrates the productive formation as well as any governmental quarter-quarter sections that are located less than four hundred sixty (460) feet from the portion of the wellbore lateral that penetrates the productive zone regardless of section or quarter section lines.

7. There are existing vertical and/or directional wells drilled and completed to the Codell and Niobrara Formations on the Application Lands. Applicant confirms that such wells are excluded from the proposed 320-acre drilling and spacing unit for Applicant's horizontal wells and that the allocation of proceeds from any existing wells shall continue to be paid on their current spacing or leasehold status.

8. Applicant requests that the Commission establish the Application Lands as an approximate 320-acre drilling and spacing unit for the Codell and Niobrara Formations pursuant to Rule 503.b.(1) and C.R.S. § 34-60-116(2). For the Application Lands, the proposed drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the horizontal wells proposed to be drilled under this Application and completed in the Codell and Niobrara Formations.

9. Applicant asserts that establishing an approximate 320-acre drilling and spacing unit on the Application Lands will allow for economic and efficient drainage of the Codell and Niobrara Formations, will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of oil and associated hydrocarbon substances from the Codell and Niobrara Formations.

10. Applicant requests that it be authorized to drill and complete six (6) horizontal wells in the approximate 320-acre drilling and spacing unit for the Application Lands for the production of oil, gas and associated hydrocarbons of the Codell and Niobrara Formations.

11. The horizontal wells to be drilled under this Application will be drilled from a multi-well pad located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 13. **The wells will be drilled from a pad at an authorized GWA location pursuant to Rule 318A, or from an exception location outside of an authorized GWA window, with surface owner consent.**

12. Applicant states that for any permitted wells to be drilled under this Application, the treated intervals of the wellbore should not be less than 460 feet from the outer boundary of the proposed drilling unit and not less than 150 feet from any other well or treated interval of a well producing from the Codell or Niobrara Formation, without exception being granted by the Director.

13. 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 and Niobrara Formations underlying the following approximate 320-acre drilling and spacing unit:

Township 6 North, Range 67 West, 6<sup>th</sup> P.M.  
Section 13: S½

("Drilling and Spacing Unit.")

14. 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 **any of the costs** specified in C.R.S. § 34-60-116(7)(b)(II) were first incurred in drilling operations **for each of the six wells and to subject any nonconsenting interests to the cost recovery provisions of C.R.S. § 34-60-116(7).**

15. Applicant certifies that copies of this **Amended** 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, 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, 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.

16. More than 30 days prior to the date this matter will be heard, the parties listed on Exhibit A who have not elected to bear his, her or its proportionate share of the costs and risks of drilling and operating the six (6) wells to be drilled in the in the Drilling and Spacing Unit will have become nonconsenting owners as defined by C.R.S. § 34-60-116(7) and Rule 530.

17. That in order to prevent waste and to protect correlative rights, all interests in the Drilling and Spacing Unit should be pooled for the orderly development of the Codell and Niobrara Formations, 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. Maintaining the established drilling and spacing units for the S½ of Section 13, Township 6 North, Range 67 West, 6th P.M., for any existing wells capable of producing oil, gas and associated hydrocarbons from the Codell and Niobrara Formations;

B. Establishing an approximate 320-acre drilling and spacing unit for the S½ of Section 13, Township 6 North, Range 67 West, 6th P.M., and authorizing the drilling of up to six (6) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations;

C. Authorizing the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations from locations that are permitted by Rule 318A;

D. Pooling all interests in the Application Lands and the Drilling and Spacing Unit for the development of the Codell and Niobrara Formations;

E. 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) were first incurred for drilling **each of the six wells and to subject any nonconsenting interests to the cost recovery provisions of C.R.S. § 34-60-116(7).**

F. Providing that the interests of any owners with whom the Appellant has been unable to secure a lease or other agreement to participate in the drilling of the six (6) horizontal wells 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 six (6) horizontal wells drilled to develop the Codell and Niobrara Formations in the Drilling and Spacing Unit comprising the Application Lands;

G. 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: November 13, 2013.

Respectfully submitted,

Extraction Oil & Gas, LLC

By: 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 **amended** application and that the matters therein contained are true to the best of his knowledge, information and belief.

By: *Mark J. Choury*  
Mark J. Choury

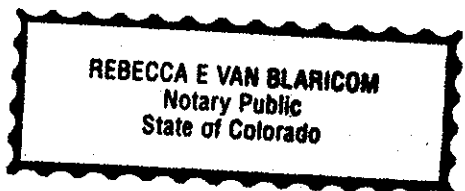
Subscribed and sworn to before me this 13 day of November, 2013.

Witness my hand and official seal.

My commission expires:

02/27/2016

*Rebecca E. Van Blaricom*  
Notary Public



## **EXHIBIT A**

### **INTERESTED PARTIES**

Noble Energy WyCo, LLC  
1625 Broadway, Suite 2000  
Denver, CO 80202

David Leonard Stromberger  
11095 392 Way  
Windsor, CO 80550

Lee A. Stark  
1803 Garfield Avenue  
Loveland, CO 80538

NDIRA, Inc., fbo Joshua J. Wood  
ROTH IRA  
1070 W. Century Drive, Suite 101  
Louisville, CO 80027

Extraction Oil & Gas, LLC  
1888 Sherman Street, Suite 500  
Denver, CO 80203

NRIRA, Inc., fbo Wayne N. Wood  
ROTH IRA  
1070 W. Century Drive, Suite 101  
Louisville, CO 80027

David Bauer  
Weld County  
1111 H Street  
Greeley, CO 80632

Kent Kuster  
Colorado Department of Public  
Health and Environment  
4300 Cherry Creek Drive South  
Denver, CO 80246-1530

Colorado Division of Wildlife  
6060 Broadway  
Denver, CO 80216

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 ESTABLISH AN APPROXIMATE  
320-ACRE HORIZONTAL DRILLING AND  
SPACING UNIT IN SECTION 13, TOWNSHIP  
6 NORTH, RANGE 67 WEST, 6TH P.M., AND  
TO POOL ALL INTERESTS FOR THE  
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CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the Amended Application in the above-referenced docket was deposited in the U.S. mail on November 13, 2013, postage pre-paid, to the interested parties listed in the application regarding the above-referenced docket.

DATED this 14th day of November, 2013.

By: Gretchen VanderWerf  
Gretchen VanderWerf  
Gretchen VanderWerf, PC  
Attorney for Applicant  
1525 17th Street  
Denver, Colorado 80202