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 TWO APPROXIMATE 640-ACRE DESIGNATED WELLBORE SPACING UNITS ESTABLISHED FOR SECTIONS 8, 9, 16 and 17, TOWNSHIP 6 NORTH, RANGE 67 WEST, 6TH P.M., FOR THE CODELL AND OR NIOBRARA FORMATIONS FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 1404-UP-100

AMENDED APPLICATION

Extraction Oil & Gas, LLC ("Applicant"), by its attorney, Gretchen VanderWerf, PC, submits this **Amended** Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") pursuant to C.R.S. §34-60-116, for an order pooling all interests in an two approximate 640-acre designated wellbore spacing units to accommodate the drilling of the Twell #12 Well in **Designated Wellbore Spacing Unit No. 1 ("DWSU No. 1")** and the **drilling** of the Twell #13 Well in **Designated Wellbore Spacing Unit No. 2 ("DWSU No. 2")** ("Wells"), for the development and operation of the Codell and or Niobrara Formation underlying the following described lands:

Township 6 North, Range 67 West, 6th P.M. Section 8: S½S½ (Niobrara)

Section 9: \$1/2\$1/2 Section 16: N1/2\$N1/2 Section 17 N1/2\$N1/2

Township 6 North, Range 67 West, 6th P.M. DWSU No. 2 Section 8: S½S½ (Codell)

Section 9: 5½5½
Section 16: N½N½
Section 17 N½N½

Weld County, Colorado ("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. 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 and Niobrara Formations underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1. Sections 8, 9, 16 and 17, Township 6 North Range 67 West, 6th P.M. are subject to this Order for the Codell and Niobrara Formations.

- 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 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. Sections 8, 9, 16 and 17, Township 6 North, Range 67 West, 6th P.M. are subject to this Rule for the Codell and Niobrara Formations.
- 4. On January 7, 2013, the Commission entered Order No. 407-741 which, among other things, vacated Order No. 407-87 and established an approximate 640-acre drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations in Section 16, Township 6 North, Range 67 West, 6th P.M. Section 16, Township 6 North, Range 67 West, 6th P.M. is subject to this Order.
- 5. On July 29, 2013, the Commission entered Order No. 407-848 which, among other things, pooled all interests in an approximate 640-acre drilling and spacing unit established for Section 16, Township 6 North, Range 67 West, 6th P.M., for the Codell and Niobrara Formations. Section 16, Township 6 North, Range 67 West, 6th P.M. is subject to this Order.
- 6. Applicant designated an **two** approximate 640-acre wellbore spacing units as described below, for the production of oil, gas and associated hydrocarbons from the Codell and or Niobrara_Fermations Formation pursuant to Rule 318A.
- 7. Applicant, pursuant to Commission Rule 530 and 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 and operation of the Codell and Niobrara Formations Formation underlying the following approximate 640-acre designated wellbore spacing unit:

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

Section 8: S½S½
Section 9: S½S½
Section 16: N½N½
Section 17: N½N½

(DWSU No. 1).

8. Applicant, pursuant to Commission Rule 530 and 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 and operation of the Codell Formation underlying the following approximate 640-acre designated wellbore spacing unit:

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

Section 8: \$\frac{5\?}{2}\\$\% Section 9: \$\frac{5\?}{2}\\$\% Section 16: \$\frac{5\?}{2}\\$\% Section 17: \$\frac{5\?}{2}\\$\%

(DWSU No. 2).

- 9. 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)(ll) are first incurred for the drilling of the wells in Twell #12 Well in DWSU No. 1 and the Twell #13 Well in DWSU No. 2 to the Codell and or Niobrara Formations Formation and/or in the Wellbore Spacing Unit for on the Application Lands.
- 10. 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 days of the date hereof, as required by Rule 503.e 507.b(2), and that at least 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 Wells, and will be provided with the information required by Rule 530. The list of the interested parties is attached hereto as Exhibit A.
- 11. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands and the Wellbore Spacing Unit designated wellbore spacing units should be pooled for the efficient development of the Codell and or 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. Pooling all interests in the Twell #12 Well and all interests in the Twell #13 Well in the Wellbore Spacing Unit the two approximate 640-acre designated wellbore spacing units established on the Application Lands for the development and operation of the Codell and or Niobrara Formations.
- 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 the costs specified in C.R.S. § 34-60-116(7)(b)(ll) are first incurred for the drilling of the Wells Twell #12 Well in DWSU No. 1 to the Niobrara Formation and the Twell #13 Well in DWSU No. 2 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 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 of the statute with respect to the Wells drilled to develop the Codell or Niobrara Formation in the designated wellbore spacing units comprising 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 April, 2014, 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: March <u>**35**</u>, 2014.

Respectfully submitted,

Extraction Oil & Gas, LLC

By: Chetchen VanderWerf
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: Allyson Vistica 1888 Sherman Street, Suite 200 Denver, Colorado 80203

VERIFICATION

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

Allyson Vistica, of lawful age, being first duly sworn upon oath, deposes and says that she is the Senior Landman of Extraction Oil & Gas, LLC, and that she has read the foregoing **Amended** Application and that the matters therein contained are true to the best of her knowledge, information and belief.

Allyson Vistica

Subscribed and sworn to before me this <u>25</u> day of March, 2014.

Witness my hand and official seal.

My commission expires: 02/27/2014

(SEAL)

REBECCA E VAN BLARICOM Notary Public State of Colorado Releve ca E. Clim Blakeura

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 TWO APPROXIMATE 640-ACRE DESIGNATED WELLBORE SPACING UNITS ESTABLISHED FOR SECTIONS 8, 9, 16 and 17, TOWNSHIP 6 NORTH, RANGE 67 WEST, 6TH P.M., FOR THE CODELL OR NIOBRARA FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 1404-UP-100

AFFIDAVIT OF MAILING

STATE OF COLORADO)	ss
CITY AND COUNTY OF DENVER)	

Gretchen VanderWerf, of lawful age, being first duly sworn upon oath, states and declares that she is the attorney for Extraction Oil & Gas, LLC, that on or before March 27, 2014, she caused a copy of the Amended Application in the above-referenced docket to be deposited in the United States mail, postage prepaid, addressed to the parties listed in Exhibit A to the Application.

By: dretchen VanderWerf
Gretchen VanderWerf

Subscribed and sworn to before me this 31st day of March, 2014.

Minesson hand and official seal.

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Notary Public