

Site Rationale – Vetting Facility:

The facility for the Vetting 15-H well pad has been positioned to meet COGCC setbacks from both Building Units and High Occupancy Building Units. The facility is located over 1,300 feet from the closest high occupancy building unit and over 700' from the two closest building units. Additionally the facility has been located to achieve the greatest setback possible from the limits of the school property located to the northwest, yet as far as possible from the residential homes located to the south and east. The facility has been designed to use the least amount of equipment yet maintain safe operations and will employ numerous best management practices to minimize impacts to surrounding land owners.

The Vetting location is the alternate location to previously permitted locations, the South Greeley Directional and Gilbert pads. The Vetting Location was chosen as the best site available because we are able to utilize more of our preferred BMP's, many of which are mutually beneficial for the community and for Extraction, some key factors are below:

- **Mineral Development:** The Vetting location allows Extraction to reach minerals located within central Greeley which is densely developed and urbanized. This project will develop minerals in Sections 18, 17, 16 T5N, R65W through a combination of 1.5 and 2.5 mile long laterals and is one of many pads that will replace the controversial proposed pads, Gilbert and South Greeley. On the Vetting location, eleven 2.5 mile long laterals with half mile step outs are proposed making it one of the most technically challenging locations to drill in Colorado. The proposed lateral and step out lengths, as well as surrounding development by other operators, make the Vetting location the only technically feasible option for developing these minerals.
- **Access:** The Vetting well pad and facility locations are in close proximity to Business Highway 34 allowing for good access to and from the location. Although the location has an approved access permit through Weld County to utilize Cherry Avenue, this access will no longer be used. As of 9/15/2016, Extraction obtained an access permit with CDOT to access directly onto Business Highway 34 therefore eliminating truck traffic from local roads completely, this is beneficial to the community as well as Extraction. Other locations involved in the site selection process did not have preferred haul routes.
- **Water:** The Vetting location was chosen due to its close proximity to local irrigation ditches and the South Platte River. Extraction will work with water suppliers and through existing water rights to use local sources such as irrigation ditches and the river to deliver water to this location via temporary water pipeline for completions activities. By using a local water source Extraction will eliminate the need to truck water to the location. Other locations involved in the site selection process did not have water nearby for distribution through temporary lines.
- **Electric Infrastructure:** The Vetting location was chosen due to its proximity to existing electrical infrastructure in the area. When Extraction began initial planning of this location it was determined that the electric provider would be able to provide service to the location to power the facility therefore eliminating noise that would be associated with combustion generators and or engines. Extraction has continued working with the electric provider and can now commit to using high line power to power the drilling rig. This infrastructure will be brought to the location for drilling operations. Electrical infrastructure capable of supporting a drilling rig is not common, and we are excited with the opportunity Vetting provides.

- Pipeline Infrastructure: The Vetting location was chosen due to its proximity to existing gas and oil pipeline infrastructure. The Vetting location will be able to tie into an existing gas sales line and immediately send saleable quality gas down the sales line. Additionally this location was chosen because Extraction was aware of nearby oil pipe opportunities and had high hopes of being able to move oil by pipe instead of truck. When Extraction began planning this location we expressed the oil pipe potential to the school board, but were unable to commit. Extraction can now commit that this location will utilize an oil pipeline, further reducing truck traffic from this location. This is beneficial to the community, as well as Extraction.