



January 4, 2019

Mr. Mike Leonard, Director
Colorado Oil & Gas Conservation Commission
1120 Lincoln Street, Ste. 801
Denver, Colorado 80203

**Re: Exception Location Request for COGCC Spacing Order #407-2524
Blue Paintbrush Production Facility Pad (doc #401704857)
NWSW, Section 18, Township 2 North, Range 68 West, Weld County, Colorado**

Dear Mr. Leonard,

Extraction Oil & Gas, Inc. (Extraction) is would like to construct the Blue Paintbrush Production Facility Pad to support the production of the horizontal wells planned for the Blue Paintbrush Well Pad. Please let this letter serve as a request for administrative approval of an exception location for the Blue Paintbrush Production Facility Pad. Approval of an exception location is necessary because of, and authorized by, the language of COGCC Spacing Order #407-2524, which provides that "one surface location will be allowed for development of minerals from the Niobrara and Codell Formations within the drilling and spacing unit, without exception being granted by the Director." For reasons explained below, Extraction respectfully requests that the Director grant an exception location to COGCC Spacing Order #407-2524 for the Blue Paintbrush Production Facility Pad to allow for two surface locations within the drilling and spacing unit, namely the Blue Paintbrush Well Pad and the Blue Paintbrush Facility Pad.

The location of the subject pad has been determined per the surface owner's request and Extraction's efforts to keep the production facilities as far away as possible from neighboring building unit. Although Extraction is proposing two "oil and gas locations" as those terms are defined by COGCC Rules—one for the well pad and one for the facilities—both of Extraction's proposed locations are located on the same surface estate that was discussed at the hearing leading to the issuance of COGCC Spacing Order #407-2524. Extraction evaluated the possibility of consolidating the two locations into one and found it infeasible. The well pad and facility pad could not be joined together because this would unnecessarily expand the permanent surface disturbance thereby reducing the surface owner's farmable land and unnecessarily impeding their irrigation system. Combining the facility and well pad would also expand the number of building units within the buffer zone and move the facilities closer to these building units. Lastly, the surface owner greatly prefers the currently proposed plan as it is conducive to his future plans for the surface. As the affected party, the surface owner agrees to both the Blue Paintbrush Production Facility Pad and Blue Paintbrush Pad locations on his property as evidenced by the signed SUA that provides for more than one location on the property. The signed SUA is attached to the Form 2A and serves as the expectation location waiver. Please contact the undersigned at kwelch@extractionog.com with any question. Thank you for your consideration of this matter.

Sincerely,

Kelsi Welch
Regulatory Analyst
Extraction Oil & Gas, Inc.