



December 14, 2015

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80202

RE: Request to Flare
Extraction Oil & Gas, LLC
Meader #4; API #05-123-42263

Dear Mr. Hickey and Ms. Burn,

Extraction Oil & Gas, LLC (Extraction) is engaging in exploratory drilling and completing activities outside the defined boundaries of the Denver Julesburg oil and gas field and hereby requests authorization to flare per rule 912 as required by the Commission regarding the following Extraction sites:

<i>Site Name</i>	<i>API NO</i>	<i>Field</i>
Meader #4	#05-123-42263	Wildcat

Rule 912 provides that:

- a. The unnecessary or excessive venting or flaring of natural gas produced from a well is prohibited.
- b. Except for gas flared or vented during an upset condition, well maintenance, well stimulation flowback, purging operations, or a productivity test, gas from a well shall be flared or vented only after notice has been given and approval obtained from the Director on a Sundry Notice, Form 4, stating the estimated volume and content of the gas. The notice shall indicate whether the gas contains more than one (1) ppm of hydrogen sulfide. If necessary to protect the public health, safety or welfare, the Director may require the flaring of gas.
- c. Gas flared, vented or used on the lease shall be estimated based on a gas-oil ratio test or other equivalent test approved by the Director, and reported on Operator's Monthly Report of Operations, Form 7.
- d. Flared gas that is subject to Sundry Notice, Form 4, shall be directed to a controlled flare in accordance with Rule 903.b.(2) or other combustion device operated as efficiently as possible to provide maximum reduction of air

contaminants where practicable and without endangering the safety of the well site personnel and the public.

- e. Operators shall notify the local emergency dispatch or the local governmental designee of any natural gas flaring. Notice shall be given prior to flaring when flaring can be reasonably anticipated, or as soon as possible, but in no event more than two (2) hours after the flaring occurs.

2 C.C.R. 1-404:912 (2015).

Commission Requests

Based on the draft Notice to Operators dated November 4, 2015, the Commission requests for such authorization include:

- 1) The estimated volume and content of the gas to be flared.
- 2) Hydrogen sulfide gas analysis for the subject well.
- 3) For requests based on lack of available infrastructure, the operator must state:
 - a. Why the well cannot be connected to midstream infrastructure (e.g., remote area with no plans to constructed infrastructure) and an economic justification for this determination.
 - b. When the well(s) will be connected to midstream infrastructure, and why the operator commenced production of the well before midstream infrastructure was available.
- 4) A statement that the operator will comply with rule 805.b.(1).; and,
- 5) A statement that the operator will use and enclosed flare unless and open flare is specifically allowed by CDPHE's Regulation 7, and that any site specific permitting required by CDPHE is complete.

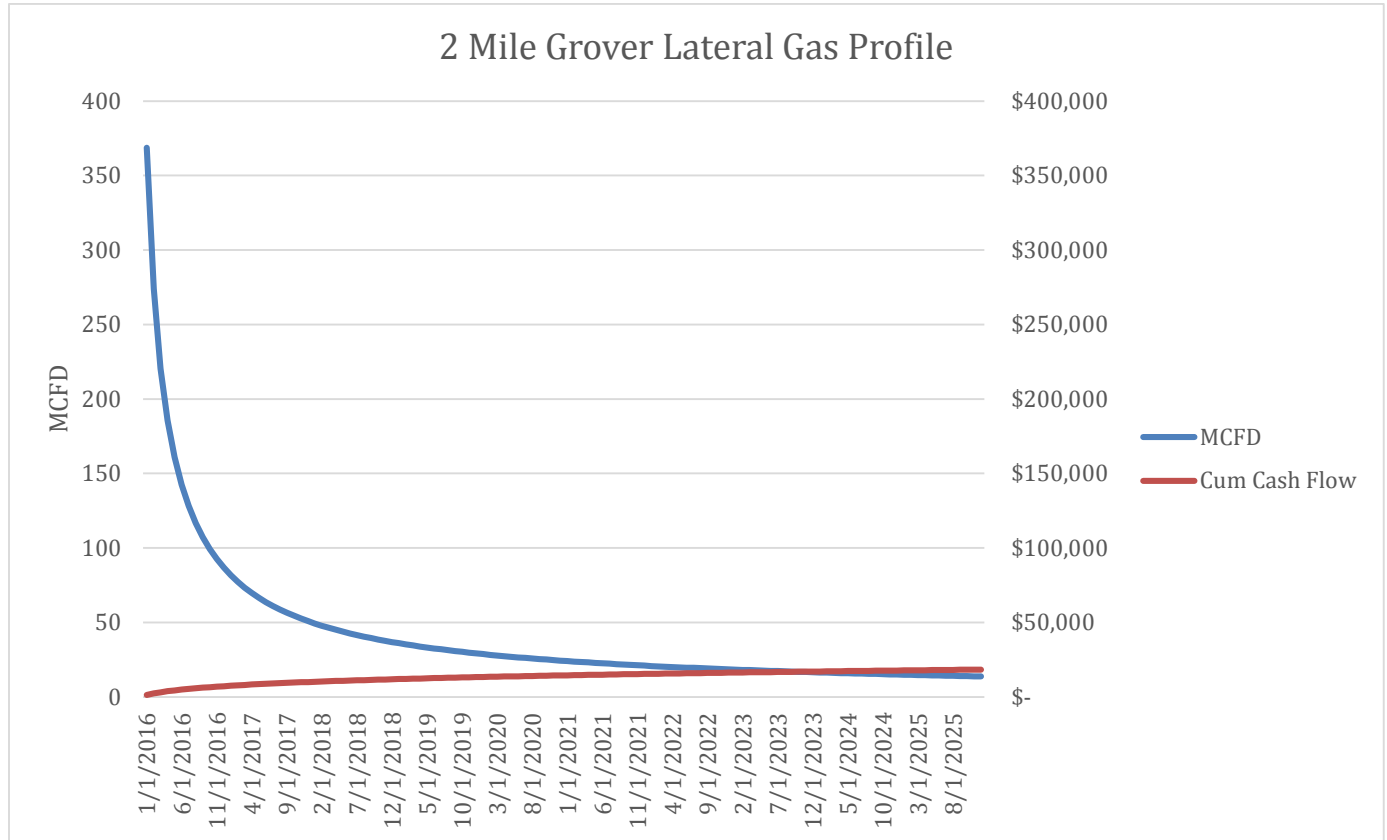
Extraction's Request

Extraction is planning to begin the flowback process during the Mid December, 2015 and hereby requests authorization to flare for a period of one year at this location by providing information to the Commission's request by submitting a Form 4 Sundry request with this attachment.

Answers to the questions listed above are as follows:

- 1) The estimated volume is anticipated to be between 150- to just over 300 mcf/d at IP, total volume for the life of the well or Estimated Ultimate Recovery (EUR) is estimated approx 150MMcf.
- 2) Hydrogen sulfide is not anticipated. Extraction will have a sample collected and rush analyzed for this analysis and will provide the results to the Commission as soon as received. Analysis for the recently completed Cox #1 well located approximately 7 miles to the NW of the Meader location showed non-detect for Hydrogen Sulfide.
- 3) This request is based on lack of midstream infrastructure. Extraction has contacted Summit Midstream Partners for an analysis for gathering this location. The nearest system to this location is approximately two miles at an anticipated cost of over \$370,000. Based on the estimated EUR of this well and the costs for midstream connections and fees, the volumes do not warrant an

economically feasible connection to the midstream gathering system. Please see the chart below (input parameters are \$3.00/mcf for gas sales and a current charge of \$2.88/mcf) and map included in Attachment A which shows the location of the nearest well connected to the Summit system. At this time only one well of the four planned are drilled so that we may evaluate the area potential. Additionally, there is not a sufficient volume to run other onsite equipment except for the separator.



- 4) The operator is intending to flare the associated gas and therefore will comply with the odor provisions of Rule 805.b.(1).
- 5) Extraction intends to use an open flare for encountered gas from the wellhead and ECD's for compliance with storage tank emissions management. An exemption request to CDPHE's Reg. 7 for use of an open flare has been submitted. All other permitting and compliance provisions for the CDPHE are in process and will be followed as required.

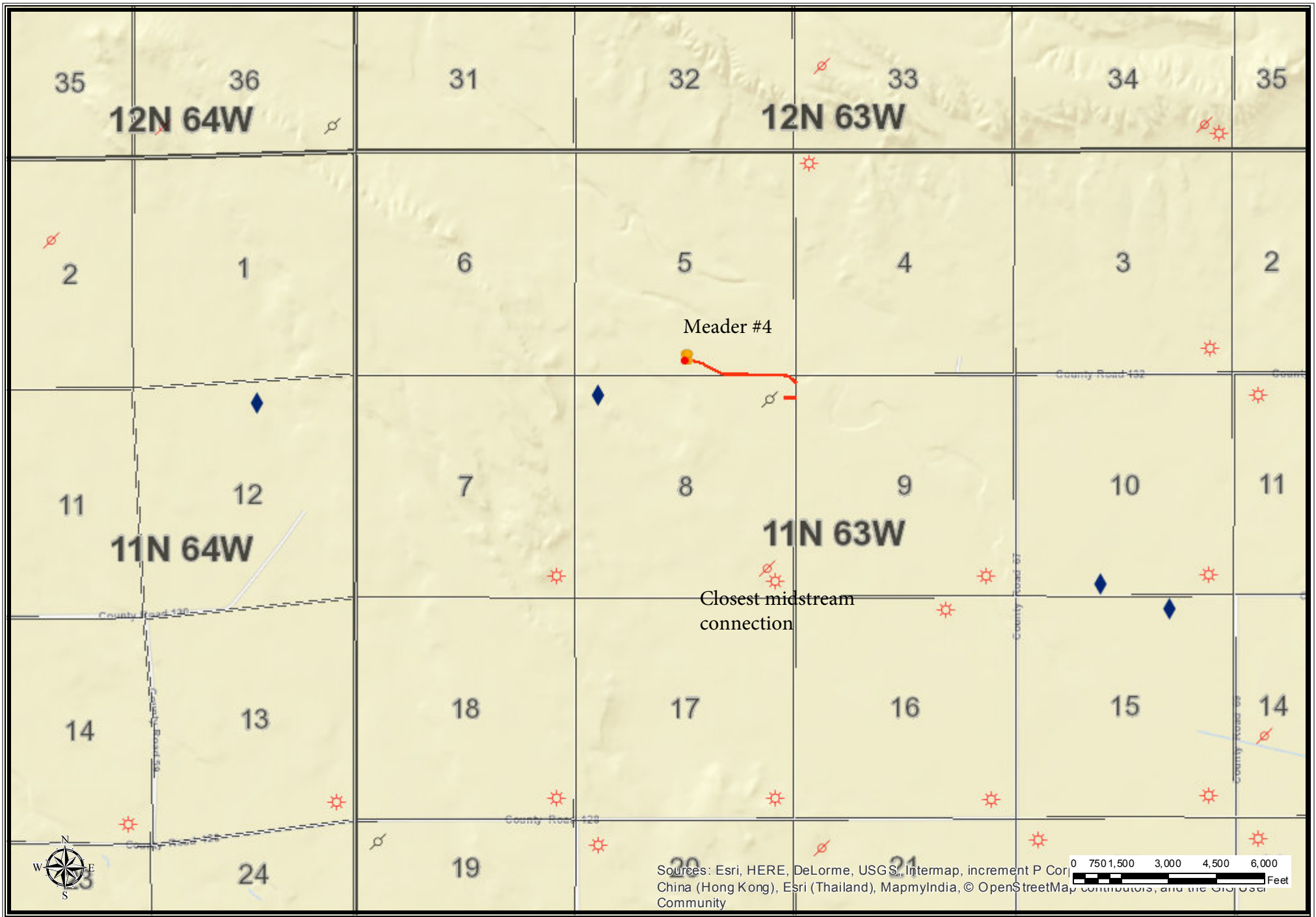
Please contact Josh Carlisle at (720) 481-2372 or Mr. John Tonello at (720) 382-2696 if you need further information.

Sincerely,

Josh Carlisle
Environmental Supervisor
Extraction Oil & Gas, LLC

Appendix A: Location Map

Note: Blue diamonds are permits only.



Extraction Oil & Gas

Author:

Printed: December 14, 2015

Description: Printed for Extraction Oil & Gas

Legend

- | | | |
|------------|---------------|---------------------|
| • Existing | • Preliminary | - ROW Edge |
| • Proposed | - Centerline | - Pipelines (P) (S) |

