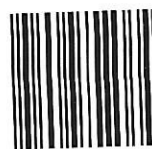


Jeff Rickard
Extraction Oil & Gas
2234 117th Avenue
Suite 106
Greeley, CO 80634



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RETURN RECEIPT
REQUESTED

Colorado Oil and Gas Conservation Commission
Attn: Kira Gillette
1120 Lincoln St, Suite 801
Denver, CO 80203



May 3, 2018

VIA EMAIL AND CERTIFIED MAIL WITH RETURN RECEIPT

Kira Gillette
Ryan Daigle
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203
Kira.gillette@state.co.us

***RE: Response to Warning Letter #401620817 for the DODD MB 33-9 (API# 013-06426)
to 8 North LLC.***

Dear Ms. Gillette and Mr. Daigle,

On April 26, 2018, 8 North, LLC. ("8 North") received a Warning Letter advising that 8 North might be in violation of Colorado Oil and Gas Conservation ("COGCC" or "Commission") rule(s) or regulation(s) and corrective actions was required by June 31, 2018. 8 North hereby submits this response to the Warning Letter.

The Warning Letter required that 8 North to complete the following:

- Operator should review it's records and verify if any Form 7, Monthly Reports of Operations, are missing, inaccurate, or incomplete for these wells
- Operator should review its records to verify if this are temporarily abandoned ("TA") or a shut-in ("SI") wells past due for a Mechanical Integrity Test ("MIT")

8 North's Response

8 North has reviewed the Warning Letter issued and has determined the Monthly Reports of Operations are current and accurate through Feb 2018. Upon a review of the well status, 8 North determined that the well has a status of SI in COGIS because the well doesn't consistently produce on a monthly basis because of issues related to pressures. 8 North believes this issue arose from confusion because this well is considered "on the ground" to be a producing well because the lease operators attempt monthly to produce, even though on many months they are unsuccessful. 8 North acknowledges this confusion does not exempt the well from the integrity rules and will complete the MIT following Rule 316B provisions by the corrective action deadline of July 31, 2018.

Kira Gillette, Ryan Daigle
Colorado Oil and Gas Conservation Commission
May 3, 2018
Page 2

8 North submits this Response to the Warning Letter a timely, in good faith, and requests that the Director not pursue any further enforcement or penalty. 8 North reserves the right to amend, if necessary. If you have any concerns, please do not hesitate to contact me at (720) 737-5144.

Sincerely,



Jeff Rickard
Regulatory Compliance Coordinator
8 North, LLC subsidiary of
Extraction Oil & Gas, Inc.



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources
1120 Lincoln Street, Suite 801
Denver, CO 80203

WARNING LETTER # 401620817

04/26/2018

8 NORTH LLC (# 10575)

Matt Owens

mowens@extractionog.com

370 17TH STREET SUITE 5300
DENVER, CO 80202

DODD MB 33-9 (API# 013-06426)
NESE, 33, 2N, 69W, BOULDER

This Warning Letter is to inform you that 8 NORTH LLC (“Operator”) may be in violation of the rules and regulations of the Colorado Oil and Gas Conservation Commission (“COGCC”) and corrective action is required.

The COGCC has reasonable cause to believe that the Operator has committed one or more violations of the Oil and Gas Conservation Act, or of a rule, regulation, or order of the Commission, or of a permit issued by the Commission. The Operator is required to comply with this Warning Letter by the **Corrective Action Deadline Date(s)** to resolve the alleged violation(s). Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1.

Alleged Violation(s) and Required Corrective Action(s):

309 Operator's Monthly Report of Operations

Violation Date: 04/26/2018

Violation Discovery Date: 04/26/2018

Description of Alleged Violation: Operator is receiving this letter because, based on COGCC records, COGCC has reason to believe the Well(s) indicated above and/or in the attached table presents one or more compliance issues. Operator should review its records to verify if any Monthly Reports of Operations (“Form 7”), are missing, inaccurate, or incomplete for this Well.

Pursuant to Rule 309., Operator is required to submit Form 7 for all existing oil and gas wells that are not plugged and abandoned, within 45 days after the end of each month. Operator is required to report each formation that is completed in a well every month from the time that it is completed until one month after abandonment.

If Operator failed to file Form 7, Monthly Reports of Operations, or has filed incomplete or inaccurate

P 303.894.2100 F 303.894.2109 www.colorado.gov/cogcc
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John W. Hickenlooper, Governor | Robert W. Randall, Executive Director, DNR | Julie Murphy, Director





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Denver, CO 80203

information for the Well, then Operator violated Rule 309.

Required Corrective Action: If Operator failed to file Form 7, Monthly Reports of Operations, or has filed incomplete or inaccurate information for the Well, then Operator shall submit all delinquent reports or correct any incomplete or inaccurate reports.

Corrective Action Deadline Date: 07/31/2018

319.b Temporary Abandonment

Violation Date: 04/26/2018

Violation Discovery Date: 04/26/2018

Description of Alleged Violation: Operator is receiving this letter because, based on COGCC records, COGCC has reason to believe the Well(s) indicated above and/or in the attached table presents one or more compliance issues. Operator should review its records to verify if this is a temporarily abandoned ("TA") well past due for a Mechanical Integrity Test ("MIT").

Pursuant to Rule 319.b., Operator is required to conduct an MIT and receive Director approval prior to temporary abandonment of a well. COGCC Rule 100 defines a well as temporarily abandoned if the well becomes incapable of production (for example, through the removal of necessary production equipment or a well that has all downhole completed intervals isolated with a plug set above the highest perforation). Any well incapable of production should have a well status of TA in filings with COGCC, including the Form 7, Monthly Reports of Operations. COGCC Rules DO NOT permit placing a well back on production to fulfill, or in lieu of, the requirements to conduct an MIT. If the above referenced Well is TA but Operator has not conducted a successful MIT, as required by Rules 319.b. and Rule 326.c., and/or Operator has not requested Director approval for TA status, then Operator is in violation of Rule 319.b.

Required Corrective Action: If the Well is TA but Operator has not conducted a successful MIT, then Operator shall conduct a successful MIT on the Well or plug and abandon the Well.

Additionally, if the Well is TA but Operator has not submitted a request for Director approval for TA status, or if Operator has previously received approval but has not submitted an annual Form 4, Sundry Notice, Operator shall submit a Form 4, Sundry Notice, requesting TA status or continued TA status for the Well and stating the method by which the Well is closed to atmosphere and plans for future operation.

Rule 316B. requires notice to the Director on a Form 42, Field Operations Notice, at least ten (10) days prior to conducting an MIT and submission of MIT results (successful or not) on a Form 21, within thirty (30) days after the test. If an MIT is not witnessed by COGCC staff, a pressure chart must accompany this Form 21 report.

If the Well lacks mechanical integrity, Rule 326.f. requires the Operator to make repairs or plug and abandon within the timeframe prescribed by Rule 326.f.1.

Rule 311. requires Operator to submit a Form 6, Notice of Intent to Abandon, and secure Director approval prior to plugging and abandonment of a well and to submit a Form 6, Subsequent Report of





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Abandonment, within 30 days after plugging and abandonment of the well has been completed.

Corrective Action Deadline Date: 07/31/2018

326 Mechanical Integrity Testing

Violation Date: 04/26/2018

Violation Discovery Date: 04/26/2018

Description of Alleged Violation: Operator is receiving this letter because, based on COGCC records, COGCC has reason to believe the Well(s) indicated above and/or in the attached table presents one or more compliance issues. Operator should review its records to verify if this is a shut-in ("SI") or temporarily abandoned ("TA") well past due for a Mechanical Integrity Test ("MIT").

Pursuant to Rule 326.b., Operator is required to conduct an MIT on SI wells within two years of the initial shut-in date and then at five (5) year intervals after an initial successful MIT. COGCC Rules DO NOT permit placing a well back on production to fulfill, or in lieu of, the requirements to conduct an MIT. If the above referenced Well has been SI for over two years and Operator has not conducted an initial MIT or is SI and has not had an MIT for over five years after the initial MIT, then Operator is in violation of Rule 326.b.

Pursuant to Rule 326.c., Operator is required to conduct an MIT on TA wells within thirty (30) days of temporarily abandoning the well, and then at five (5) year intervals after an initial successful MIT. COGCC Rules DO NOT permit placing a well back on production to fulfill, or in lieu of, the requirements to conduct an MIT. If the above referenced Well has been TA for over thirty days and Operator has not conducted an initial MIT or is TA and has not had an MIT for over five years after the initial MIT, then Operator is in violation of Rule 326.c.

Required Corrective Action: If the Well is SI or TA but Operator has not conducted an initial MIT or a follow-up five year MIT, then Operator shall conduct an MIT on the Well or plug and abandon the Well.

Rule 316B requires notice to the Director on a Form 42, Field Operations Notice at least ten (10) days prior to conducting an MIT and submission of MIT results (successful or not) on a Form 21, within thirty (30) days after the test. If an MIT is not witnessed by COGCC staff, a pressure chart must accompany this Form 21 report.

If the Well lacks mechanical integrity, Rule 326.f. requires the Operator to make repairs or plug and abandon within the timeframe prescribed by Rule 326.f.1.

Rule 311 requires Operator to submit a Form 6, Notice of Intent to Abandon, and secure Director approval prior to plugging and abandonment of a well and to submit a Form 6, Subsequent Report of Abandonment, within 30 days after plugging and abandonment of the well has been completed.

Corrective Action Deadline Date: 07/31/2018





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How to Comply with Warning Letter:

Operator shall complete the Required Corrective Action(s) above within the deadline(s) provided. Upon completion of the Corrective Action(s), Operator shall provide notice and evidence of completion to the COGCC staff identified below by the Corrective Action Deadline Date(s):

COGCC Enforcement: Kira Gillette
Email: kira.gillette@state.co.us

Title: NOAV Specialist
Phone Num: (303) 894-2100 x5165

COGCC Representative: Ryan Daigle
Email: ryan.daigle@state.co.us

Title: Engineering Tech
Phone Num: (303) 894-2100x5168

If you have any procedural questions about this Warning Letter, please contact Kira Gillette.
If you have any technical questions about this Warning Letter, please contact the COGCC Representative identified above.

Failure to Comply with Warning Letter:

If the Operator fails to perform Required Corrective Action(s) on or before the Corrective Action Deadline Date(s) stated above the COGCC will issue a Notice of Alleged Violation and seek penalties pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1.

All well data, rules and forms are available on our website at www.colorado.gov/cogcc.

Sincerely,

Ryan Daigle
Engineering Tech
(303) 894-2100x5168
ryan.daigle@state.co.us

Attachments

View Attachments in Imaged Documents on COGCC website <http://ogccweblink.state.co.us/> Search by Document Number.

Document Number Description

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Total Attach: 0 Files

