



January 23, 2018

Tami Yellico
City and County of Broomfield
1 Descombes Drive
Broomfield, Colorado 80020

Dear Ms. Yellico,

I write this letter in response to your email from January 16, 2018. In your email, you state that, because the Comprehensive Development Plan (the "CDP") submitted to the City of Broomfield (the "City") on December 15, 2017 (the "December CDP") did not include a detailed site plan for ALL Well Sites contemplated by the Amended and Restated Operator Agreement (the "Operator Agreement"), the CDP failed to comply with Section 9 of the Operator Agreement.

The submission of a CDP to the City is a prerequisite for filing any Form 2 and/or 2A for a New Well or Well Site and such required CDP is "for such New Wells and Well Sites." There is nothing in the Operator Agreement that requires that there only be a single CDP submission. Just that a CDP "for such New Wells and Well Sites" be submitted at least 30 days prior to the submission of those Forms with the COGCC.

Each CDP submitted is required to include a number of specific documents that relate to the underlying New Wells and Well Site contemplated by the CDP and related Form 2s and 2As. One such document is a detailed site plan. Extraction disagrees that Section 9 of the Operator Agreement requires that a detailed site plan for Well Sites unrelated to the CDP in question is necessary for every submission of a CDP. Additionally, site plans for New Wells and Well Sites that are not otherwise covered by the CDP and Form 2s and 2As in question are not relevant.

In compliance with Section 9 of the Operator Agreement, the December CDP included a site plan for ALL New Wells and ALL Well Sites contemplated by the Form 2s and Form 2A subject to the CDP submission.

In addition, during the extensive negotiations with City staff on the Operator Agreement, it was made clear to Extraction that it was a requirement of the City that Extraction's operations in the City be conducted in a staged manner. City staff was insistent that Extraction begin operations at the easternmost Well Site before drilling could begin at other Well Sites. Section 10 of the Operator Agreement was revised to address this concern of the City. The December CDP in fact covers this easternmost Well Site.

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Extraction has always contemplated submitting additional CDPs for additional Well Sites provided for under the Operator Agreement. Your email of January 16, 2018 states that site plans for all Well Sites to *ever* be drilled under the Operator Agreement be submitted simultaneously. This is at odds with the repeated requests of the City throughout the negotiation of the Operator Agreement for us to conduct operations in a staged manner. To Extraction, it seems like the City is trying to have it both ways---insistence that Extraction begin operations at the easternmost Well Site before drilling at any other Well Site, but still wanting detailed site plans for all Well Sites simultaneously.

While we believe our CDP submitted on December 15, 2017 is in full compliance with the Operator Agreement, in order to satisfy the City we are hard at work on an additional CDP that includes a detailed site plan for the other Well Site contemplated by the Operator Agreement and plan to submit this additional CDP to the City on or before January 31, 2018.

We are also in receipt of the City's comments to the CDP transmitted to us on January 22, 2018. We look forward to working with the City to address the comments submitted and, if and only if necessary, we will revise the December CDP and supplement the Form 2s and 2As that Extraction submitted to the COGCC on January 16, 2018. After we address the City's comments, we do expect that the City will grant prompt approval of our December CDP, not to be unreasonably withheld or delayed, in compliance with Section 9 of the Operator Agreement.

Also included with the City's January 22 transmittal of comments to the CDP were numerous documents from third parties. Extraction assumes that all the concerns of third parties that the City would like addressed are reflected in the City's comments.

On a general note, we would also ask that the City comply with Section 12 of the Operator Agreement and issue administrative approvals for all operations allowed for under the Operator Agreement in accordance with the procedures set forth in the Operator Agreement and Chapter 17-54 of the Broomfield Municipal Code, so long as Extraction has complied with the terms and conditions of the Operator Agreement. Section 12 of the Operator Agreement also provides that, so long as Extraction is in compliance with the Operator Agreement, "the City shall provide written approvals and grant any waivers or variances that are reasonably requested by Operator related to the oil and gas operations subject to this Agreement."

In connection with items such as finalizing different segments of right-of-way (as contemplated by Section 6 of Exhibit H and elsewhere in the Operator Agreement) and the conveyance of land from Extraction to the City (as contemplated by Section 14 of Exhibit H to the Operator Agreement), the City has been requesting and requiring items that are beyond what is called for by the Operator Agreement on these matters. We ask that the City provide their approvals on all matters contemplated by the Operator Agreement in a reasonable and prompt manner.

Thank you in advance for your continued collaboration.

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Sincerely,



Eric Jacobsen
Extraction Oil & Gas, Inc.