



CITY AND COUNTY MANAGER

One DesCombes Drive • Broomfield, CO 80020 • 303.438.6300 • www.broomfield.org

September 10, 2018

Eric Jacobsen, Senior Vice President of Operations
Extraction Oil and Gas, Inc.
370 17th Street - Suite 5300
Denver, CO 80202

Re: Approval of Extraction's Comprehensive Drilling Plan (CDP)

Dear Mr. Jacobsen,

The City and County of Broomfield has received Extraction Oil & Gas, Inc.'s ("Extraction") Comprehensive Drilling Plan dated July 27, 2018 that Extraction resubmitted by letter dated September 10, 2018 ("CDP").

Broomfield expects Extraction to comply with all the safety measures incorporated into the Operator Agreement and the CDP. In the Risk Management Plan, Extraction acknowledges its obligation to continually review mitigation activities, revise the risk management plan, and conduct safety reviews. If additional safety concerns arise, Broomfield reserves the right to impose additional safety measures consistent with the Operator Agreement and applicable law.

The City will enforce compliance with the CDP. Any non-compliance will result in enforcement action up to and including revocation of the CDP, consistent with procedures in Sections 22 and 27 of the Operator Agreement and the Broomfield Municipal Code ("B.M.C."). Please notify your employees and all contractors and subcontractors of the applicable terms and conditions of the Operator Agreement and the CDP. Broomfield will hold all such contractors and subcontractors, as well as Extraction, responsible for any of their actions or inactions that result in non-compliance with the Operator Agreement or the CDP, consistent with Colorado law and Sections 1-04-050 and 1-04-060 B.M.C.

In follow up to my previous letter dated August 20, 2018, the CDP and other information submitted by Extraction satisfy my conditions of approval. Specifically, Extraction included language in the CDP or the letter that resubmitted the CDP, which are hereby incorporated in the CDP, that satisfies conditions 1, 2, 5, 7, 11, 12, and 15 of my August 20, 2018, letter. Extraction satisfied condition 3 by mailing notice to the nearby property owners of the construction of the access drive. Extraction satisfied condition 4 by paying Mr. Baker for his lost crops.

With respect to conditions 6 and 8, as outlined in the second paragraph of this approval, Broomfield retains the right under applicable law and consistent with the Operator Agreement to impose additional safety measures.

To resolve conditions 9 and 10, Broomfield will be retaining DNV-GL USA Inc., as an expert consultant to conduct an independent risk assessment process. I request Extraction to cooperate with Broomfield's consultant in the process. Extraction has agreed to provide a risk analysis on pipelines before drilling begins, as requested by Broomfield pursuant to the Operator Agreement, BMP #3.

With respect to condition 13, as stated above, Extraction, its contractor and subcontractors, are all required by law to comply with the terms of the Operator Agreement and the CDP.

With respect to condition 14, COGCC Rule 906 (b)(2) requires operators to give the local government designee notice of spills as soon as possible but no later than 24 hours after discovering the spill.

The CDP is hereby accepted and approved by the City and County of Broomfield.

Sincerely:

A handwritten signature in black ink, appearing to read "Charles Ozaki", with a small checkmark-like flourish to the right.

Charles Ozaki
City and County Manager
Broomfield, Colorado USA
cozaki@broomfield.org

Cc: Mayor and City Council



September 10, 2018

Charles Ozaki
Broomfield City and County Manager
City and County of Broomfield
One DesCombes Drive
Broomfield, CO 80020

Re: Letter from CCOB, August 20, 2018

Mr. Ozaki,

Extraction Oil & Gas, Inc. ("Extraction") is in receipt of the letter from the City and County of Broomfield (the "City"), dated August 20, 2018 (the "August 20 Letter"). Any capitalized terms utilized herein but not otherwise defined shall have the respective meanings set forth for such terms in that certain Amended and Restated Oil and Gas Operator Agreement, by and between Extraction and the City, dated October 24, 2017 (the "Operator Agreement").

Extraction is formally re-submitting the draft of the Comprehensive Drilling Plan ("CDP"), dated July 27, 2018 (the "July 27 CDP"). Additionally, it is Extraction's understanding that, with the agreements from Extraction set forth below to certain contract administration items, the City will be approving the July 27 CDP without imposing any conditions of approval.

Extraction, in connection with and subject to the City's approval of the July 27 CDP without imposing any conditions of approval, hereby agrees to the following:

1. Extraction is required by the Operator Agreement, under BMP #19(k), to "provide the City with its emergency shutdown protocols and promptly notify the City of any emergency shut downs that would have an impact to any area beyond the confines of the Well Site." Extraction agrees that it will provide the City with the shutdown protocols for a particular Well Site prior to such Well Site entering the Drilling Phase.
2. Section 9(B) of the Operator Agreement requires that for each Well Site, Extraction must submit a site plan for site preparation, mobilization and demobilization. While the July 27 CDP does include site plans for preparation, mobilization and demobilization, they are not labeled as such. Extraction agrees that, in connection with the construction permitting applications with the City, Extraction will label the site plans accordingly.
3. Extraction is required by the Operator Agreement, under BMP #3, if so requested by the City, to "conduct a risk analysis to identify potential risks associated with pipelines and the measures implemented that are intended to mitigate such risks." As

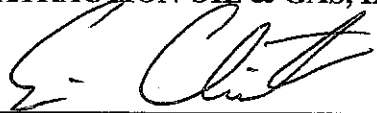
the City has now requested this, Extraction will conduct the analysis. This analysis would be conducted following the City's approval of the CDP and prior to the commencement of the Drilling Phase at any Well Site.

4. With respect to BMP #36 of the Operator Agreement, Extraction agrees (i) to provide the City with a list of the "Previously Abandoned Wells" referenced in subsection 1 of BMP #36 prior to the commencement of the Construction Phase for any of the Well Sites and (ii) that, with respect to the testing contemplated by subsection 5 of BMP #36, it give the City notice of any pre-production testing at least thirty (30) days prior to the expected date of such testing.

[Signature Page Follows]

Mr. Charles Ozaki
September 10, 2018
Page 3

EXTRACTION OIL & GAS, INC.

A handwritten signature in black ink, appearing to read "Eric J. Christ", written over a horizontal line.

Eric J. Christ
Vice President, General Counsel & Corporate Secretary