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Extraction Continues to Incorporate Best Practices into Its Industry-Leading Broomfield Development Plan

Even with operations ongoing, the company continues to listen and adapt based on community feedback, available technology and best management practices

DENVER, CO – Extraction Oil & Gas, Inc. (Extraction) (NASDAQ: XOG) continues to safely execute its best-in-class operator agreement in the City and County of Broomfield, Colorado, demonstrating its commitment to being a good neighbor and collaborating with communities while developing the energy resources necessary to daily life.

On July 15, Extraction received a letter from Broomfield requesting more information about the type of completion fleet pump engines that were being used in its operations. In the operator agreement Extraction signed with Broomfield in 2017, Extraction committed to using tier-2 dual fuel engines to power pumps on completions fleets and that it would use tier-4 engines if these completion fleets became “commonly available” to the industry.

Extraction proactively performed its due diligence within the industry, confirming there was only one tier-4 pump engine fleet in use in the DJ Basin and therefore clearly not “commonly available” to the industry. The company communicated that fact to Broomfield in a letter dated July 16, 2019, available [here](#).

“We are always looking for the next innovative technology to incorporate into our operations and encouraging our vendors to do so,” said Eric Jacobsen, Extraction’s senior vice president of operations. “However, after confirming with our completions vendor and a number of its competitors, we can confidently say that the application of tier-4 engines into the pumps used in completions fleets is simply not yet ‘commonly available.’”

Extraction has at all times operated in full compliance with its operator agreement in Broomfield, no claims have been made otherwise by the city, and completions activities to date remain ongoing at its Interchange location.

“Despite the fact that these fleets are not commonly found, as a good neighbor to the City and County of Broomfield, we were able to work diligently with our vendor to source the one tier-4 fleet available in the basin and we can today confirm that fleet will be used to complete wells on our Interchange B pad – in fact, it arrived onsite last weekend,” Jacobsen said. “This technology is obviously not always available to us and won’t always be available to us, but in this case, we were able to go above and beyond to get a

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preferred technology for a community where we've developed longstanding relationships, and we did so out of a spirit of partnering with that community."

Extraction has a history of working with the City and County of Broomfield where the company paused its permitting operations back in 2017, recognizing that the municipality had not seen drilling activity in more than ten years, and worked with residents, elected officials and a citizen-led task force to inform the community about safe and responsible drilling operations and to develop the industry-leading Broomfield Development Plan, which has since garnered nationwide recognition for safety and facility design.

"Listening to the community and adapting practices above and beyond our agreement where we can is clearly a win for Extraction and a win for Broomfield, but it is important to keep in mind that to date – through the drilling and completions phase using tier-2 engines – continuous air quality monitoring in Broomfield from multiple, independent stakeholder groups has shown that air quality levels have been well below any levels of concern, and often below baseline air quality levels (the measures taken before operations even began), throughout our operations."

One of those stakeholders is Broomfield itself. The city conducts its own independent air monitoring through a third party, which consists of 19 air quality monitoring stations that measure particulate data, meteorological data and VOCs (volatile organic compounds). According to Broomfield's own monitoring, which consists of over 11 million measurements to date, VOC concentrations are well below established health guidelines, representing no observable health risks.

Broomfield City and County Manager Charles Ozaki acknowledged Extraction's position on the availability of tier-4 engines in a letter dated July 18, 2019, and available [here](#).

In another case of Extraction responding to feedback, the company received odor concerns among a group of Broomfield residents in early July while drilling its Livingston pad. After quickly identifying the source of the odor, Extraction made the decision to switch to a new type of drilling mud in a matter of days. The company experienced zero interruptions to its operations and in doing so, odor complaints dropped immediately.

"What might have taken weeks or even months to accomplish, we were able to successfully identify and execute in only a couple days' time," said Jacobsen. "We quickly made the switch after hearing concerns from our neighbors. While we were not required by any local or regulatory agency to make such a change, it is among our top priorities to listen to and work with communities when issues arise and find sustainable solutions. We are proud of our history of working with feedback from the community, as evidenced by our incorporation of nearly 90 percent of the Broomfield Task Force's recommendations into our operator agreement with the city."

In addition to utilizing the tier-4 completions pump engines and quickly adapting its drilling mud, Extraction is in the process of plugging its tenth legacy well in Broomfield. As part of the redevelopment of natural resources underlying Broomfield, Extraction has pledged to remove older infrastructure sited years ago that is now close to new homes and schools. The cumulative effect is a long-term net reduction in emissions and truck traffic for the residents of Broomfield.

The company is also currently awaiting its final wellbore spacing unit (WSU) permit approvals from COGCC so that all Livingston wells can be drilled at one time, while the rig is on location, ensuring that

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the rig will not have to come back to the Livingston site at a later time as part of these operations. Those remaining WSU permits will also enable the company to plug and remove additional older, legacy wells throughout the community, and in particular one that was already in use when the Aspen Creek School was built in close proximity to it. Both Extraction and Broomfield have publicly stated their desire to remove this vintage well and it is in the best interest of the community that those WSU permits are approved in a timely manner so that the process to plug and remove those wells can begin.

“We feel strongly that working closely with our neighbors will make a difference for our company in the communities where we operate, and we will always strive to incorporate community feedback that makes our operations better and allows us to minimize or eliminate the impacts of vital energy development,” Jacobsen said.

About Extraction Oil & Gas

Denver-based Extraction Oil & Gas, Inc. is an independent energy exploration and development company focused on exploring, developing and producing crude oil, natural gas and NGLs primarily in the Wattenberg Field in the Denver-Julesburg Basin of Colorado. For further information, please visit www.extractionog.com. The Company's common shares are listed for trading on the NASDAQ under the symbol: “XOG.”

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