

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE VERIFIED APPLICATION OF MARATHON OIL COMPANY FOR AN ORDER ESTABLISHING DRILLING AND SPACING UNITS AND WELL LOCATION AND SETBACK RULES FOR THE DRILLING OF WELLS IN THE NIOBRARA FORMATION, UNDERLYING CERTAIN LANDS LOCATED IN TOWNSHIP 6 NORTH, RANGE 62 WEST, SECTION 5, 6; TOWNSHIP 6 NORTH, RANGE 63 WEST, SECTION 1; TOWNSHIP 7 NORTH, RANGE 61 WEST, SECTIONS 19, 30; TOWNSHIP 7 NORTH, RANGE 62 WEST, SECTIONS 24, 28-33; TOWNSHIP 7 NORTH, RANGE 63 WEST, SECTIONS 25, 36, 6TH P.M., IN WELD COUNTY, COLORADO	CAUSE NO: ORDER NO: DOCKET NO:
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VERIFIED APPLICATION

COMES NOW the Applicant, Marathon Oil Company, by and through its attorneys, Poulson, Odell & Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an Order establishing 640 acre drilling and spacing units and well location and setback rules applicable to the drilling and producing of gas and associated hydrocarbons from the Niobrara Formation underlying certain described lands in Weld County, Colorado. In support thereof, Applicant states as follows:

1. That Applicant is a corporation duly authorized to conduct business in the State of Colorado.

2. The Applicant desires to create approximate 640 acre drilling and spacing units, and well location and setback rules, for the drilling of one horizontal well to the Niobrara Formation in the following described lands located in Weld County, Colorado:

Township 6 North, Range 62 West, 6th P.M.

Section 5: ALL

Section 6: ALL

Township 6 North, Range 63 West, 6th P.M.

Section 1: ALL

Township 7 North, Range 61 West, 6th P.M.

Section 19: ALL

Section 30: ALL

Township 7 North, Range 62 West, 6th P.M.

Section 24: ALL
Section 28: ALL
Section 29: ALL
Section 30: ALL
Section 31: ALL
Section 32: ALL
Section 33: ALL

Township 7 North, Range 63 West, 6th P.M.

Section 25: ALL
Section 36: ALL

(the "Application Lands").

3. That Applicant owns leasehold interests in all or part of those lands. A reference map is attached as Exhibit "B".

4. The Application Lands are unspaced and subject to Commission Rule 318.a. which requires that wells drilled in excess of two thousand five hundred (2,500) feet in depth be located not less than six hundred (600) feet from the lease line, and located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

5. As to the Application Lands, geological studies, and geological and engineering information obtained in the drilling and producing of wells located in the general area, demonstrate that a horizontal well drilled to the Niobrara Formation may produce oil and associated hydrocarbons in economic volumes from the Niobrara Formation.

6. Applicant requests the Commission to create approximate 640 acre drilling and spacing units, for the drilling of one horizontal well to the Niobrara Formation in each such drilling and spacing unit, within the Application Lands, in order to prevent waste, protect correlative rights, and assure the greatest ultimate recovery of hydrocarbons.

7. Consistent with Commission Rule 318.a., Applicant requests the following setbacks and well location rules for the drilling of a horizontal well within the Niobrara Formation within the Application Lands:

(a) That the surface location may be located anywhere on the Application Lands; and,

(b) That the initial perforation, lateral and terminus of the horizontal well within the Niobrara formation shall be located no closer than six hundred (600) feet from the boundary of the drilling and spacing unit.

8. Applicant alleges and believes that the granting of this Application will prevent waste, protect correlative rights, and assure the greatest ultimate recovery of hydrocarbons from the reservoir. Applicant further alleges and believes that the Niobrara Formation is a common source of supply underlying the Application Lands. Moreover, the proposed 640 acre drilling and spacing units are no smaller than the maximum area that can be economically and efficiently drained by one well in each drilling and spacing unit.

9. Pursuant to Rule 503(d) of this Commission, within seven (7) days of the filing of this Application, the Applicant shall submit a Certificate of Service to the Commission demonstrating that the Applicant served a copy of the Application on all persons entitled to Notice by mailing a copy thereof, first-class postage prepaid, to the last known mailing address of the interested parties. Applicant shall simultaneously submit said list of interested parties to the Commission via electronic media.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in June, 2011, that notice be given as required by law, and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

DATED: April __, 2011.

MARATHON OIL COMPANY

By: _____

Scott M. Campbell
Jeremy I. Ferrin
POULSON, ODELL & PETERSON, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
Telephone: (303) 861-4400
Facsimile: (303) 861-1225

VERIFICATION

STATE OF TEXAS)
)
COUNTY OF _____) SS.

Tricia L. Clarke, of lawful age, being first duly sworn upon oath, deposes and says that he/she is Landman for Marathon Oil Company, and that he/she has read the foregoing Application and that the matters therein contained are true to the best of his/her knowledge, information and belief.

MARATHON OIL COMPANY

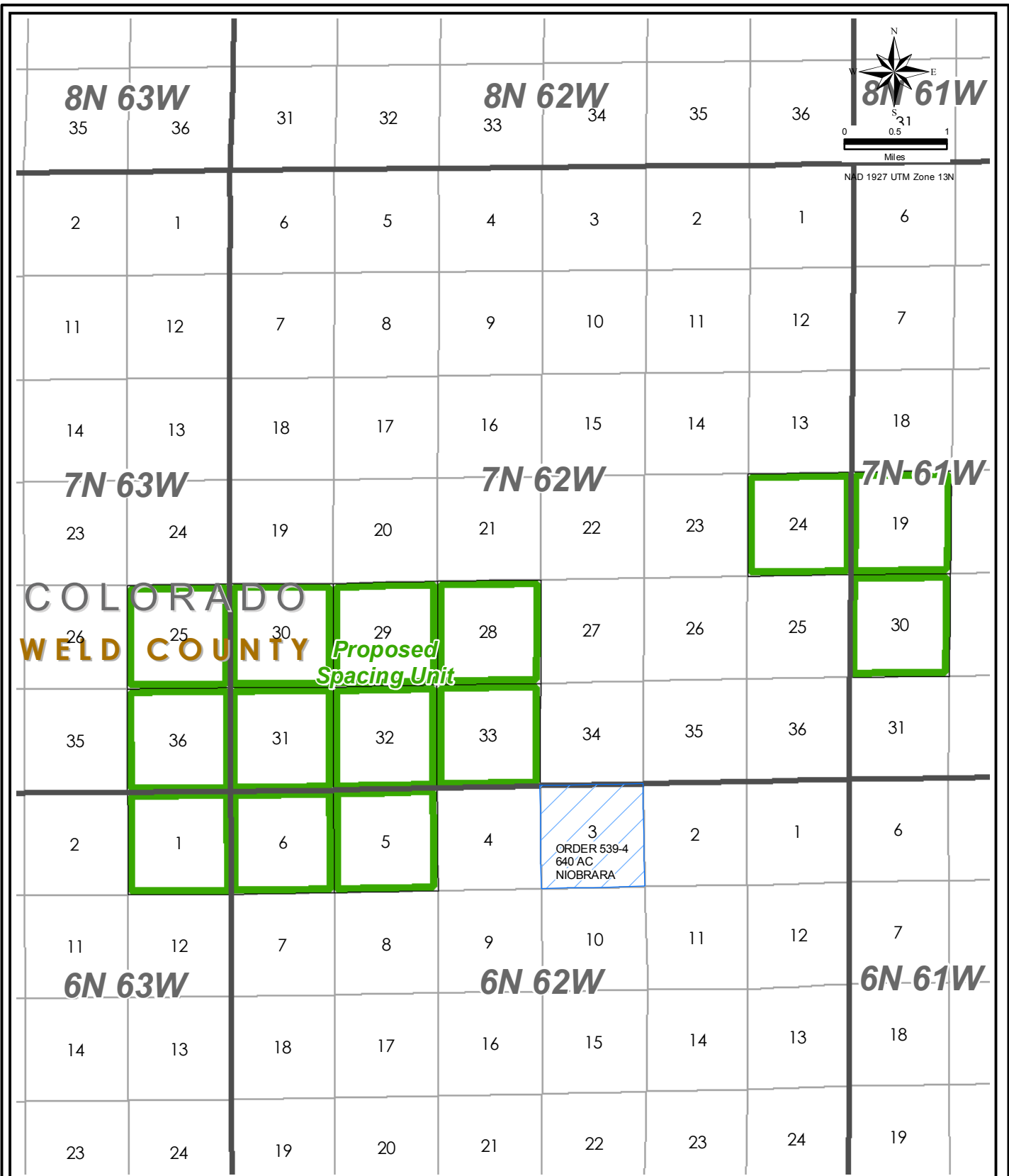
By: Tricia L. Clarke

Subscribed and sworn to before me this _____ day of April, 2011.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

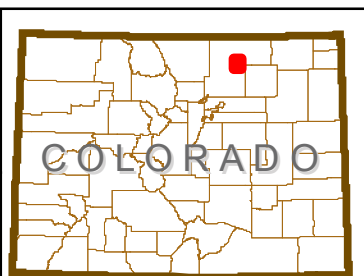


Legend

Proposed Spacing Units



Spacing Unit Orders



Key Map



**Marathon
Oil Company**

CO O&G Commission

Application for Drill Spacing - Niobrara

7N/62W, Sections 24, and 28-33

7N/63W, 25, 36, 7N/61W, 19, 30,

6N/63W, 1, 6N/62W, 5, and 6

WELD COUNTY, CO

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OF THE STATE OF COLORADO

IN THE MATTER OF THE VERIFIED
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FOR AN ORDER ESTABLISHING DRILLING
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UNDERLYING CERTAIN LANDS LOCATED IN
TOWNSHIP 6 NORTH, RANGE 62 WEST,
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63 WEST, SECTION 1; TOWNSHIP 7 NORTH,
RANGE 61 WEST, SECTIONS 19, 30;
TOWNSHIP 7 NORTH, RANGE 62 WEST,
SECTIONS 24, 28-33; TOWNSHIP 7 NORTH,
RANGE 63 WEST, SECTIONS 25, 36, 6TH P.M.,
IN WELD COUNTY, COLORADO

CAUSE NO:

ORDER NO:

DOCKET NO:

AFFIDAVIT OF MAILING

STATE OF COLORADO

COUNTY OF DENVER

)
) ss.
)

Scott M. Campbell, of lawful age, being first duly sworn upon oath, states and declares:

That he is the attorney for Marathon Oil Company, Applicant herein; that on the 5th day of May, 2011, he caused a copy of the attached Verified Application and Notice of Hearing to be deposited in the United States Mail, postage prepaid, addressed to each of the parties listed on Exhibit "A" to the Application.

POULSON, ODELL & PETERSON, LLC

By:



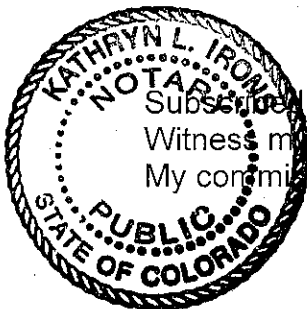
Scott M. Campbell

Jeremy I. Ferrin

1775 Sherman Street, Suite 1400

Denver, Colorado 80203-4319

Telephone: (303) 861-4400



Subscribed and sworn to before me this 5th day of May, 2011.

Witness my hand and official seal.

My commission expires: 07/22/2011.

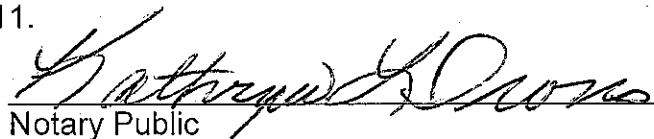

Notary Public

EXHIBIT A

INTERESTED PARTIES

CROW VALLEY

E. Marie Wickland Family Trust
1468 44th Avenue
Greeley, CO 80634

Colorado Land Services, LLC
1051-D W Hwy 34
Loveland, CO 80537

U.S. AgBank FCB
245 N. Waco St.
Wichita, KS 67202

Marilyn N. Mihm Irrevocable
Trust
115 W. 6th Street
Concordia, KS 66901

Anadarko E&P Company LP
1201 Lake Robbins Drive
The Woodlands, TX 77380

Adam J. Mueller
3040 N 60th St.
Lincoln, NE 68507

David Bauer, LGC
Weld County
1111 H Street
Greeley, CO 80632

Flatiron Energy Company
5236 Pinehurst Drive
Boulder, CO 80301

HOP Energies, LLC
P.O. Box 47911
Wichita, KS 67201

EOG Resources, Inc.
P.O. Box 4362
Houston, TX 77210-4362

Harold Furrow Family Trust
27533 Hwy 392
Gill, CO 80624

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Houston, TX 77251-9874

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Colorado Division of Wildlife
NE Region Service Center
6060 Broadway
Denver, CO 80216

John S. Gibson Production, LLC
P.O. Box 482
Fort Morgan, CO 80701

Noble Energy
1625 Broadway, Suite 2200
Denver, CO 80202-4725

Mobil GC Corporation
One Allen Center, Suite 2700
Houston, TX 77002

Springfield Oil Company
Land & Martin Ltd
27619 Brook Drive
Hot Sprints, SD 57747-7212

Don Kehn
5900 S County Road 5
Fort Collins, CO 80528

Grindstone Resources LLC
5228 Lonetree Drive
Loveland, CO 80537

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P.O. Box 173779
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Marathon Oil Company
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P.O. Box 4813
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Colorado Dept of Public Health &
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