

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

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| 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 3 NORTH, RANGE 62 WEST, SECTIONS 5, 6, 7, 8; TOWNSHIP 3 NORTH, RANGE 63 WEST, SECTIONS 2, 8-10, 12, 16, 17, 20-22; TOWNSHIP 4 NORTH, RANGE 62 WEST, SECTIONS 30, 32; TOWNSHIP 4 NORTH, RANGE 63 WEST, SECTIONS 26, 36, 6TH P.M., IN WELD COUNTY, COLORADO | CAUSE NO:<br><br>ORDER NO:<br><br>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 3 North, Range 62 West, 6th P.M.

Section 5: All  
Section 6: All  
Section 7: All  
Section 8: All

Township 3 North, Range 63 West, 6th P.M.

Section 2: All  
Section 8: All  
Section 9: All  
Section 10: All  
Section 12: All

Section 16: All  
Section 17: All  
Section 20: All  
Section 21: All  
Section 22: All

Township 4 North, Range 62 West, 6th P.M.

Section 30: All  
Section 32: All

Township 4 North, Range 63 West, 6th P.M.

Section 26: All  
Section 36: All

Weld County, Colorado

(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

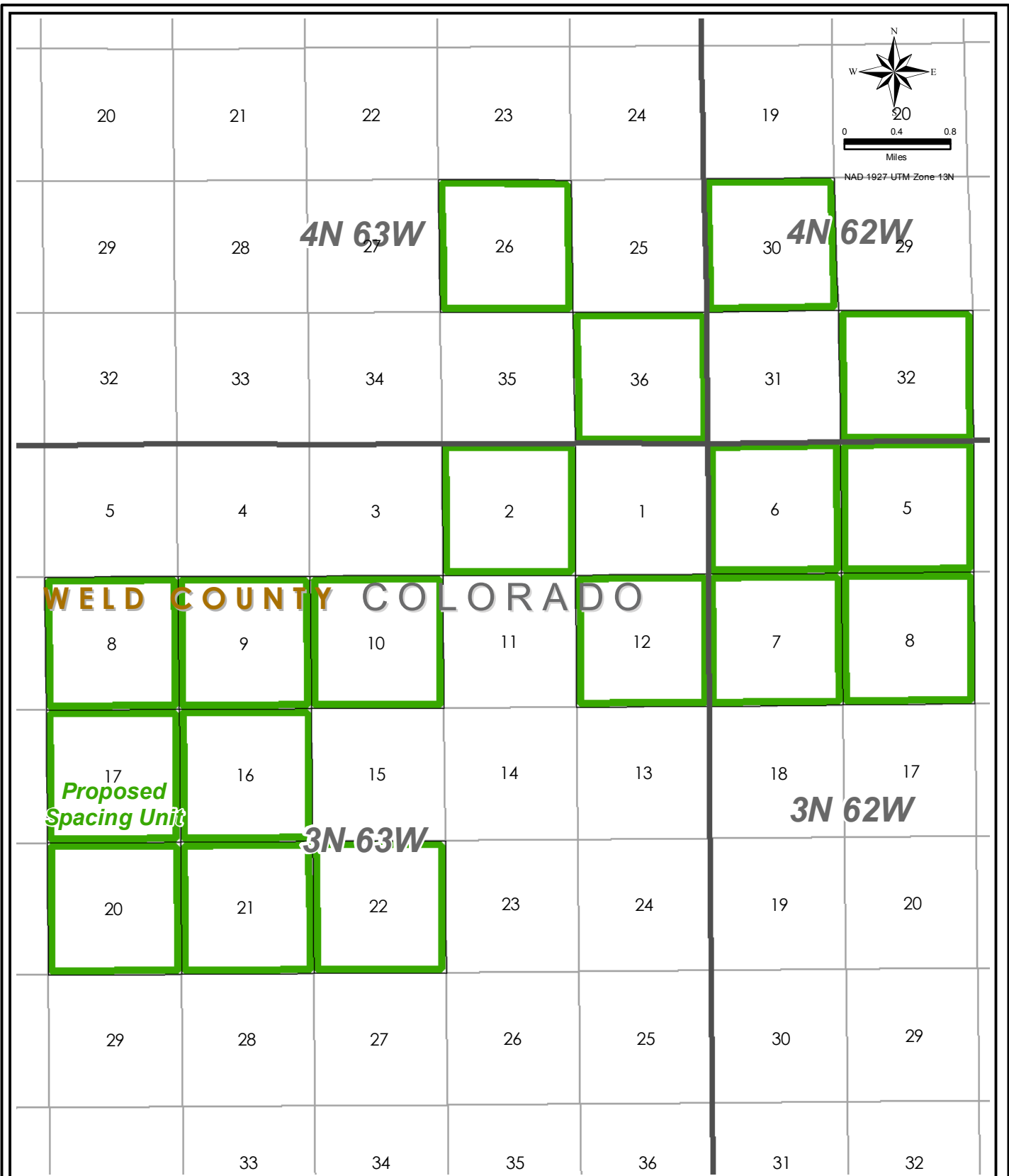
STATE OF TEXAS )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

MARATHON OIL COMPANY

My commission expires: \_\_\_\_\_.

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Notary Public



### Legend

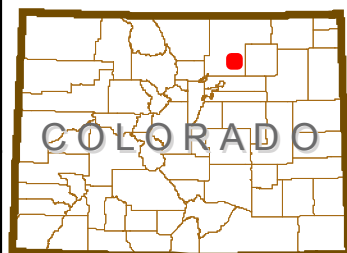
Proposed Spacing Units



Spacing Unit Orders (\*)



\* None This Area:  
Twps 4/ 62, 63, or 3/62, 63



Key Map



**Marathon  
Oil Company**

## CO O&G Commission

*Application for Drill Spacing - Niobrara*  
4N/62W, Sect 30-32, 4N/63W, 26, and 36  
3N/62W, 5-8, 3N/63W, 2, 8-10, 12, 16, and 17, 20-22

WELD COUNTY, CO

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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 3 NORTH, RANGE 62 WEST,  
SECTIONS 5, 6, 7, 8; TOWNSHIP 3 NORTH,  
RANGE 63 WEST, SECTIONS 2, 8-10, 12, 16,  
17, 20-22; TOWNSHIP 4 NORTH, RANGE 62  
WEST, SECTIONS 30, 32; TOWNSHIP 4  
NORTH, RANGE 63 WEST, SECTIONS 26, 36,  
6TH P.M., IN WELD COUNTY, COLORADO

CAUSE NO:

ORDER NO:

DOCKET NO:

AFFIDAVIT OF MAILING

STATE OF COLORADO )

COUNTY OF DENVER )

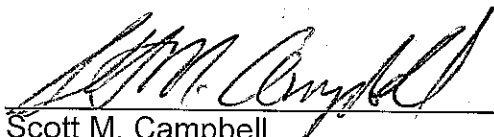
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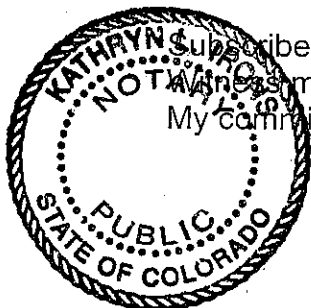
Scott M. Campbell, of lawful age, being first duly sworn upon oath, states and declares:

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  
FRENCH LAKE

State of Colorado  
1127 Sherman Street, Suite 300  
Denver, CO 80203

John H. Armitage  
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Toronto, ON M6M 2E4  
CANADA

Paul Christensen  
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Energy Minerals Corporation  
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Denver, CO 80202-4387

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1259 Albion, #10  
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Equus Farms, Inc.  
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Guy R. Brainard Jr. Trust  
One Williams Center  
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Lakewood, CO 80228

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Denver, CO 80209

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Golden, CO 80401

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La Jolla, CA 92037

Gail D. Kerns Trust  
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Colorado Dept of Public Health &  
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Cervi Enterprises, Inc.  
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Colorado Dept of Wildlife  
NE Region Service Center  
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Denver, CO 80216

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Anadarko E&P Company, LP  
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The State C 1-2 LLC  
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Marubeni Denver Julesburge LLC  
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c/o Marubeni Unconventional  
Resources Corporation  
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