

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 10 NORTH, RANGE 68 WEST, SECTIONS 8-10, 16-20, 29, 30; TOWNSHIP 10 NORTH, RANGE 69 WEST, SECTIONS 13, 24, 25, 6TH P.M., IN LARIMER 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 Larimer 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 Larimer County, Colorado:

Township 10 North, Range 68 West, 6th P.M.

Section 8: ALL
Section 9: ALL
Section 10: ALL
Section 16: ALL
Section 17: ALL
Section 18: ALL
Section 19: ALL
Section 20: ALL
Section 29: ALL
Section 30: ALL

Township 10 North, Range 69 West, 6th P.M.

Section 13: ALL

Section 24: ALL

Section 25: 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)
) SS.
COUNTY OF _____)

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

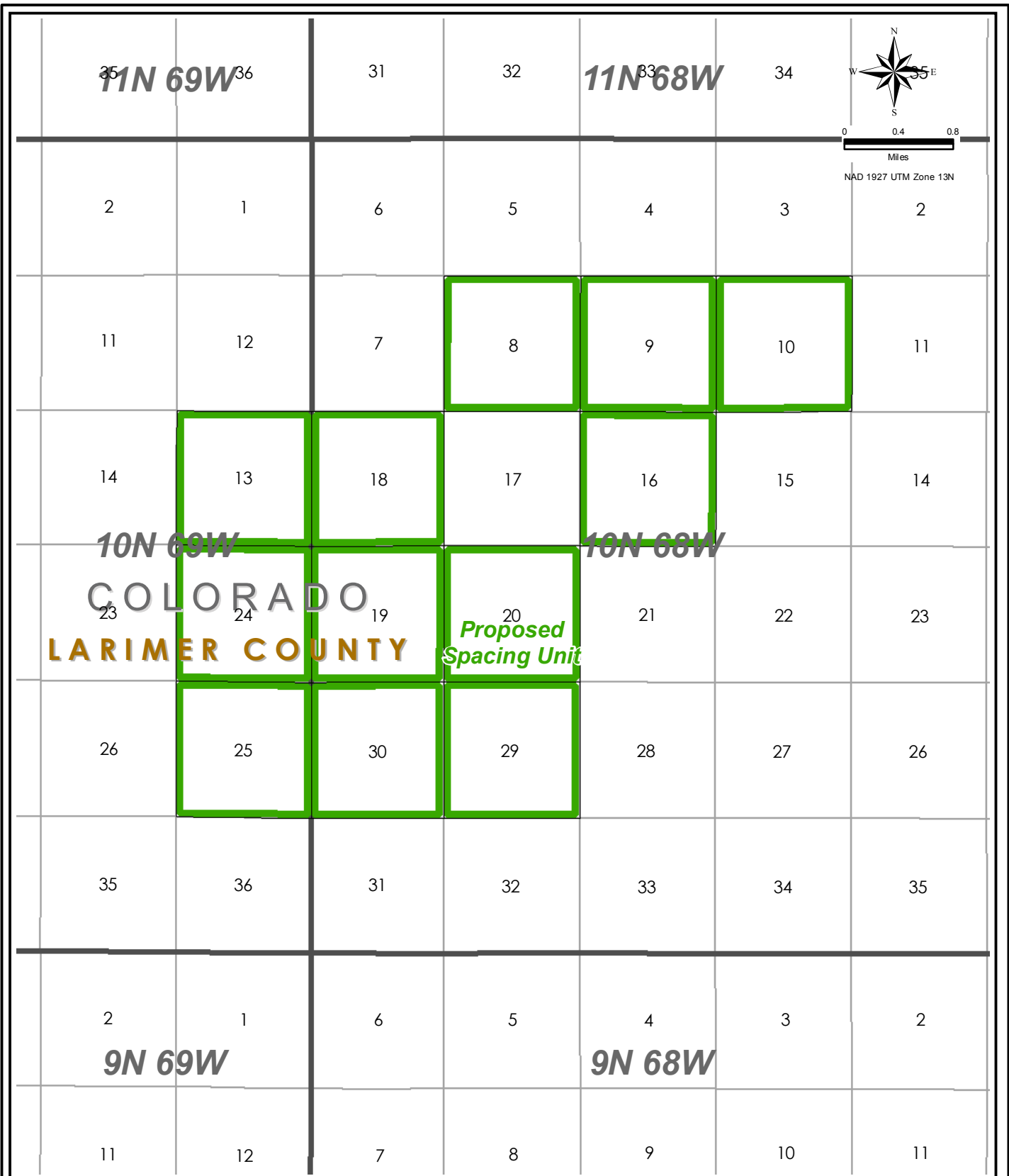
By: Tricia L. Clarke

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



**Marathon
Oil Company**

CO O&G Commission

Application for Drill Spacing - Niobrara
10N/68W, Sections 8-10, 16, 18, 19, 20, 29, and 30
10N/69W, Sections 13, 24, and 25

LARIMER COUNTY, CO

10_68_16_DSU.mxd 4/28/2011

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IN THE MATTER OF THE VERIFIED
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FOR AN ORDER ESTABLISHING DRILLING
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AND SETBACK RULES FOR THE DRILLING OF
WELLS IN THE NIOBRARA FORMATION,
UNDERLYING CERTAIN LANDS LOCATED IN
TOWNSHIP 10 NORTH, RANGE 68 WEST,
SECTIONS 8-10, 16-20, 29, 30; TOWNSHIP 10
NORTH, RANGE 69 WEST, SECTIONS 13, 24,
25, 6TH P.M., IN LARIMER COUNTY,
COLORADO

CAUSE NO:

ORDER NO:

DOCKET NO:

AFFIDAVIT OF MAILING

STATE OF COLORADO)

)

ss.


COUNTY OF DENVER)

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

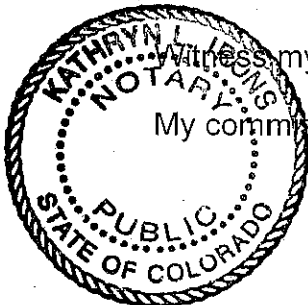
Denver, Colorado 80203-4319

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
RAWHIDE FLATS

John G. Ruhl Trust Agreement
Davenport Bank & Trust Co.
203 W 3rd St.
Davenport, IA 52801

Platte River Power Authority
2000 E. Horsetooth Rd.
Fort Collins, CO 80525

Chesapeake Exploration LLC
6100 N Western Avenue
Oklahoma City, OK 73118-1044

Rubicon Oil & Gas Inc
1520 West Canal Court
Littleton, CO 80120-5650

Annie Varley
Address Unknown

Brett A. Shreve
18247 N County Road 5
Wellington, CO 80549

Robert E. Kinyon
16423 N County Road 9
Wellington, CO 80549

Nerissa J. Mullin
16399 N County Road 9
Wellington, CO 80549

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Dow & M. Laurine Dow, Husband
& Wife)
960 Santa Maria Avenue
Hemet, CA 92343

Lillian L. Garvin
Address Unknown

Robert Helmick, LGD
Larimer County Planning
P.O. Box 1190
Fort Collins, CO 80522

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PETERSON LLC
1775 Sherman St, Ste 1400
Denver, CO 80203-4319

Tricia L. Clarke
Marathon Oil Company
5555 San Felipe
P.O. Box 4813
Houston, TX 77056

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

Colorado Dept of Public Health &
Environment
4300 Cherry Creek Drive, South
Denver, CO 80246-1530

Larimer County
P.O. Box 1190
Fort Collins, CO 80521

Fort Collins Consolidated
Royalties, Inc.
Address Unknown

Land Energy, Inc.
Address Unknown

Margaret Reed Nelson; Charlotte
Reed Marbut; Esther Reed
Roberts, Deceased; Francis Reed
McHendrie
Heirs of Albert A. Reed
c/o Douglas McHendrie
730 Equitable Building
Denver, CO 80202

Hallet Smith; Russell A. Smith; Sam
G. Smith
Heirs of Elizabeth R. Smith
1455 S Morengo Street
Pasadena, CA 91106-4227

Charles I. Terwilleger
Address Unknown

Wellington Operating
Company
Address Unknown

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2212 Vassar Ave.
Fort Collins, CO 80521

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Cheyenne, WY 82001

Rudolph Ackerman
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Brier, WA 98086

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College of the Southwest
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Hobbs, NM 88240-9120

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San Francisco, CA 94122

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Dallas, TX 75243

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Denver, CO 80220

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Fort Worth, TX 76122

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Cheyenne, WY 82009

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Snohomish, WA 98290

Homer W. Outhier
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Address Unknown

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Fort Collins, CO 80521

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Paul Lee
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Fort Collins, CO 80524-2808

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Resources Corporation
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Houston, TX 77056

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