

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 8 NORTH, RANGE 64 WEST, SECTIONS 5-8, 19, 29, 30; TOWNSHIP 8 NORTH, RANGE 65 WEST, SECTION 1, 12, 24, 25, 36; TOWNSHIP 9 NORTH, RANGE 64 WEST, SECTION 31, 32; TOWNSHIP 9 NORTH, RANGE 65 WEST, SECTION 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 8 North, Range 64 West, 6<sup>th</sup> P.M.

Section 5: ALL  
Section 6: ALL  
Section 7: ALL  
Section 8: ALL  
Section 19: ALL  
Section 29: ALL  
Section 30: ALL

Township 8 North, Range 65 West, 6<sup>th</sup> P.M.

Section 1: ALL  
Section 12: ALL

Section 24: ALL  
Section 25: ALL  
Section 36: ALL

Township 9 North, Range 64 West, 6<sup>th</sup> P.M.

Section 32: ALL  
Section 31: ALL

Township 9 North, Range 65 West, 6<sup>th</sup> P.M.

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

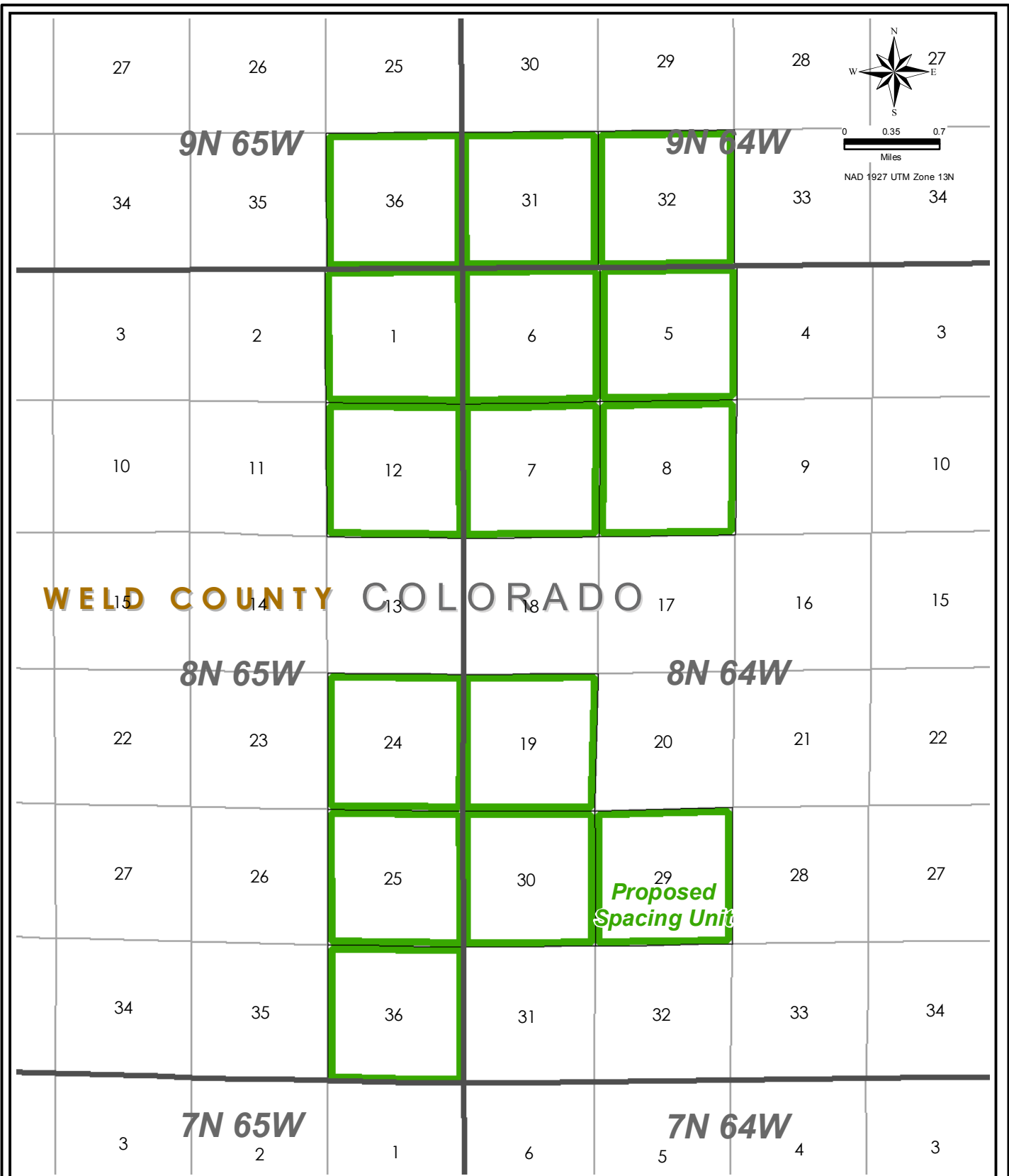
Subscribed and sworn to before me this \_\_\_\_\_ day of April, 2011.

Witness my hand and official seal.

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

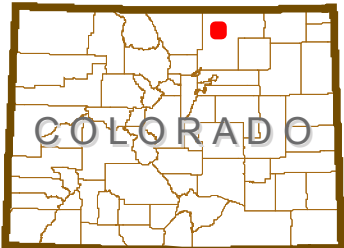
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Notary Public



**Legend**

 Proposed Spacing Units



**Key Map**



**Marathon  
Oil Company**

## CO O&G Commission

Application for Drill Spacing - Niobrara  
 8N/64W, Sections 5-8, 19, 29, and 30  
 8N/65W, Sections 1, 12, 24, 25, and 36  
 9N/64W, Sections 31, and 32  
 9N/65W, Section 36  
 WELD COUNTY, CO

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APPLICATION OF MARATHON OIL COMPANY  
FOR AN ORDER ESTABLISHING DRILLING  
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WELLS IN THE NIOBRARA FORMATION,  
UNDERLYING CERTAIN LANDS LOCATED IN  
TOWNSHIP 8 NORTH, RANGE 64 WEST,  
SECTIONS 5-8, 19, 29, 30; TOWNSHIP 8  
NORTH, RANGE 65 WEST, SECTION 1, 12, 24,  
25, 36; TOWNSHIP 9 NORTH, RANGE 64  
WEST, SECTION 31, 32; TOWNSHIP 9 NORTH,  
RANGE 65 WEST, SECTION 36, 6TH P.M., IN  
WELD 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:



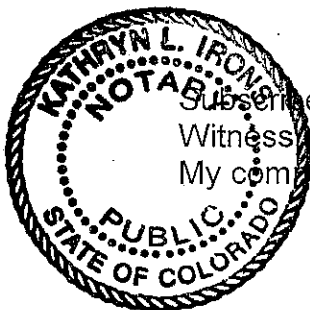
Scott M. Campbell

Jeremy I. Ferrin

1775 Sherman Street, Suite 1400

Denver, Colorado 80203-4319

Telephone: (303) 861-4400



Subscribed and sworn to before me this 5<sup>th</sup> day of May, 2011.

Witness my hand and official seal.

My commission expires: 07/22/2011.

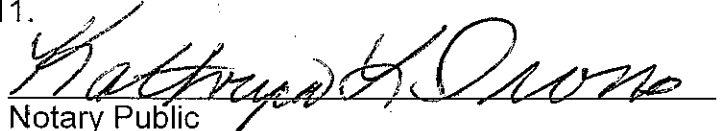
  
Notary Public

EXHIBIT A  
INTERESTED PARTIES  
OWL CREEK

Anadarko Land Corporation  
P.O. Box 173779  
Denver, CO 80217-3779

Glen J. Boyd  
24696 CR 90  
Ault, CO 80610

June E. Groves  
4532 Pioneer Lane  
Greeley, CO 80634

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

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

Synergy Resources  
Corporation  
1200 17<sup>th</sup> Street, Suite 570  
Denver, CO 80202-5835

Springfield Oil Company  
Lang & Martin Ltd  
27619 Brook Drive  
Hot Springs, SD 57747-7212

Missouri Improvement  
Company  
1416 Dodge Street  
Omaha, NE 68179-0001

Shelly A. Boyd  
24696 CR 90  
Ault, CO 80610

Kathleen Groves  
P.O. Box 664  
Greeley, CO 80631

William E. Driscoll  
43059 CR 51  
Ault, CO 80610

Blue & Gray Resources, Inc  
P.O. Box 3768  
Parker, CO 80134

RME Land Corporation  
c/o Anadarko Petroleum  
Corporation  
P.O. Box 9149  
The Woodlands, TX 77387

Triple G Land & Cattle LLC,  
Successor to Crow Creek  
Ranch Company  
17506 County Road 57  
Kersey, CO 80644

Anadarko E&P Company,  
LP  
P.O. Box 1330  
Houston, TX 77251-9874

Marjorie Jean Dillard  
24806 Pleasant Hill Avenue  
Galeton, CO 80622

Glenda M. Mitchell  
24696 CR 90  
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George W. Kerner  
Address Unknown

U.S.A. Department of the  
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c/o BLM Colorado State Office  
2850 Youngfield Street  
Lakewood, CO 80215-7076

Melverna Sue Carroll Larsen  
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American Fork, UT 84003

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Associates LLC  
141 Union Boulevard  
Lakewood, CO 80228

Dorothy L. Martin  
Address Unknown

Bradford Stroud  
Address Unknown

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Kathry F. Adams  
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Ault, CO 80610

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Heir of Gus G Anderson &  
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33173 County Road 39  
P.O. Box 3  
Lucerne, CO 80646

Noble Energy, Inc.  
1625 Broadway, Ste 2200  
Denver, CO 80202-4725

Hoover and Stacy Inc.  
7000 Yellowtail Rd  
Cheyenne, WY 82009-6107

United States of America  
Bureau of Land Management  
2850 Youngfield Street  
Lakewood, CO 80215

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

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

Marubeni Denver Julesburg LLC  
Attn: Keiichiro Mano  
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2800 Post Oak Blvd., Suite 6000  
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Lunda P. Anderson  
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Greeley, CO 80603

Jack H. Anderson & Joan F.  
Anderson; Heir of Gus G  
Anderson & Lunda P.  
Anderson  
25238 Weld County Road 122  
Grover, CO 80729



Lucile Anderson, Individually,  
Heir of Clarence A. Anderson,  
Trustee of Clarence A. Anderson  
LT & Kucile Anderson Trust;  
Heir of Gus G Anderson & Lunda  
P. Anderson  
33270 Weld County Road 37  
Eaton, CO 80615

James R. Philpott; Heir of  
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Address Unknown

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Representative; Estate of Peggy  
Adams; Heir of Gus G Anderson  
& Lunda P. Anderson  
26018 Weld County Road 100  
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Burry; Heir of Gus G Anderson  
& Lunda P. Anderson  
c/o Sandra J. & Robert L.  
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Hemet, CA 92545

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Lunda P. Anderson  
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Lunda P. Anderson  
Address Unknown

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Anderson & Lunda P.  
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Longmont, CO 80504

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Heir of Gus G Anderson &  
Lunda P. Anderson  
Address Unknown

Esther Adams  
Heir of Gus G Anderson &  
Lunda P. Anderson  
Address Unknown