

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 65 WEST, SECTIONS 22 AND 26; TOWNSHIP 9 NORTH, RANGE 63 WEST, SECTION 9; TOWNSHIP 9 NORTH, RANGE 64 WEST, SECTIONS 2, 4, 10-13; TOWNSHIP 9 NORTH, RANGE 65 WEST, SECTION 32, 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 approximate 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 company 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 up to four horizontal wells to the Niobrara Formation in the following described lands located in Weld County, Colorado:

Township 8 North, Range 65 West, 6th P.M.

Section 22: ALL

Section 26: ALL

Township 9 North, Range 63 West, 6th P.M.

Section 9: ALL

Township 9 North, Range 64 West, 6th P.M.

Section 2: ALL

Section 4: ALL

Section 10: ALL

Section 11: ALL
Section 12: ALL
Section 13: ALL

Township 9 North, Range 65 West, 6th P.M.
Section 32: 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 up to four horizontal wells 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 up to four horizontal wells 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 up to four horizontal wells 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 treated interval of the wellbore 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 up to four horizontal wells 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 mail.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in April, 2012, 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: February 16, 2012.

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 _____)

Benjamin Gregory Ralston, 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: Benjamin Gregory Ralston

Subscribed and sworn to before me this _____ day of February, 2012.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

EXHIBIT A
INTERESTED PARTIES

Scott M. Campbell
POULSON ODELL &
PETERSON LLC
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Denver, CO 80203-4319

David Bauer
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Greeley, CO 80632

Colorado Division of Wildlife
6060 Broadway
Denver, CO 80216

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

Marathon Oil Company
Attn: Tricia L. Clarke
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P.O. Box 4813
Houston, TX 77056

Chesapeake Exploration, LLC
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P.O. Box 18496
Oklahoma City, OK 73154-
0496

EOG Resources, Inc.
PO Box 4362
Houston, TX 77210-4362

Turner Oil & Gas Properties
3232 W. Britton Road, Ste.
200
Oklahoma City, OK 73120-
2035

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

Hoover & Stacy, Inc.
7000 Yellowtail Road, Ste.
120
Cheyenne, WY 82009-6108

Noble Energy Inc.
1625 Broadway, Ste. 2000
Denver, CO 80202-4720

Hannon & Associates Inc.
1615 California St., Ste. 623
Denver, CO 80202-3723

Recovery Energy Inc.
1515 Wynkoop Street, Set 200
Denver, CO 80202

Tracker Resource
Development
1050 17th Street, Set 975
Denver, CO 80265

Lone Tree energy & Assoc.
LLC
141 Union Blvd.
Denver, CO 80228

Apollo Operating, LLC
1538 Wazee Street, Ste. 200
Denver, CO 80202

Francis Energy, Inc.
1220 11th Avenue, Ste 203
Greeley, CO 80632

Manuel G. Salas
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Ault, CO 80610

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Pierce, CO 80650

Neva Marie Adamson
Goodwin
Address Unknown

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North Bend, WA 98045-8264

Church of Jesus Christ of
Latter Day Saints
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Salt Lake City, UT 84150

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Zurich, KS 67663-7010

Sherry A. Adamson
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Address Unknown

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Ault, CO 80610

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Ault, CO 80610

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Thornton, CO 80229

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Lafayette, CO 80620

Edgar Kenneth Andrus
c/o Lola Ida Andrus & Edgar
C. Andrus
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Frazier Park, CA 93225

United States of America
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Lakewood, CO 80215-7093

Cathy L. Musgrave-Payne
19400 CR 100
Nunn, CO 80648

Steven T. Kattnig
19026 CR 100
Nunn, COL 80648

Chris A. Duvall
19298 CR 100
Nunn, CO 80648

Paula Wright
45832 CR 39
Nunn, CO 80648

Brian G. Kaugman
19050 CR 100
Nunn, CO 80648

STATE OF TEXAS)
) ss.
COUNTY OF Harris)

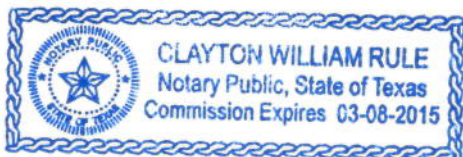
MARATHON OIL COMPANY

By: Tricia Louise Clarke
Tricia Louise Clarke

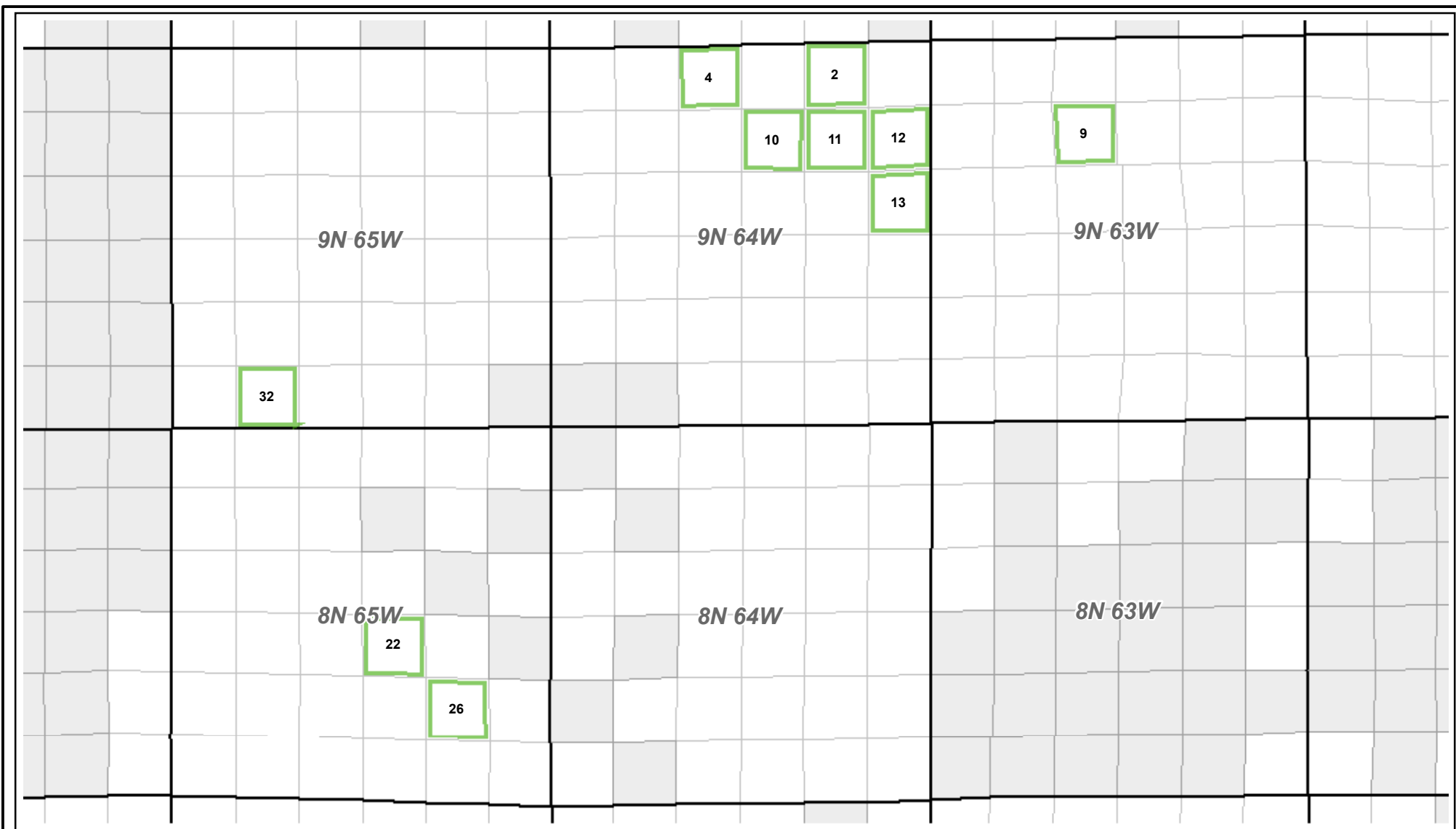
Subscribed and sworn to before me this 16th day of February, 2012.

Witness my hand and official seal.

My commission expires: 3-8-2015




Notary Public



Legend

Proposed Spacing - April App

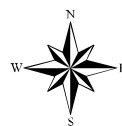


Existing Spacing Orders



NAD 83, NAD 27, US FT

1:140,000



0 0.375 0.75 1.5
Miles

April, 2012 Application for
Niobrara Drill Spacing:

8N 65W, SECT 22
8N 65W, SECT 26
9N 63W, SECT 9
9N 65W, SECT 32

(Cont'd)

9N 64W, SECT 2
9N 64W, SECT 4
9N 64W, SECT 10
9N 64W, SECT 11
9N 64W, SECT 12
9N 64W, SECT 13


Marathon Oil

CO&G Commission
Application for
Drill Spacing - Niobrara

Weld County, CO

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