

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 A 320 ACRE DRILLING AND SPACING UNIT FOR WELLS DRILLED TO THE NIOBRARA FORMATION IN THE E/2 OF SECTION 14, TOWNSHIP 3 NORTH, RANGE 63 WEST, 6TH P.M., WELD COUNTY, COLORADO	CAUSE NO: 407 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 a 320 acre drilling and spacing unit for wells drilled to the Niobrara Formation in the E½ of Section 14, Township 3 North, Range 63 West, 6th P.M., 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 a 320 acre drilling and spacing unit for the drilling of up to two horizontal wells in the Niobrara Formation in the following described lands located in Weld County, Colorado:

Township 3 North, Range 63 West, 6th P.M.
Section 14: E½

Weld County, Colorado

(the "Application Lands").

3. That Applicant owns all of the leasehold interests in all of the Application Lands. A reference map is attached as Exhibit "B".

4. On April 27, 1998, the Commission adopted Rule 318A., which among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A. was amended to, among other things, allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On September 30, 2011, Rule 318A. was again amended to, among other things, more specifically address circumstances involving the drilling of horizontal wells. The Application Lands are unspaced and subject to this Rule.

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 two 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 an approximate 320 acre drilling and spacing unit, for the drilling of up to two horizontal wells to the Niobrara Formation in such drilling and spacing unit, within the Application Lands, with the treated interval of the wellbore for the permitted well to be located no closer than 460' from the unit boundaries in accordance with Rule 318A., and surface locations for authorized wells consistent with Rule 318A.; in order to prevent waste, protect correlative rights, and assure the greatest ultimate recovery of hydrocarbons.

7. 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.

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 320 acre drilling and spacing unit is no smaller than the maximum area that can be economically and efficiently drained by up to two horizontal wells drilled to the Niobrara Formation in such drilling and spacing unit.

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)
)
COUNTY OF _____) SS.

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

MARATHON OIL COMPANY

By: _____
Collin Hoover

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
1775 Sherman, Suite 1400
Denver, CO 80203-4319

David Bauer
Weld County LGD
1111 H Street
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: Collin Hoover
5555 San Felipe Street
PO Box 4813
Houston, TX 77056

VERIFICATION

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

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

MARATHON OIL COMPANY


By: 
Collin Hoover

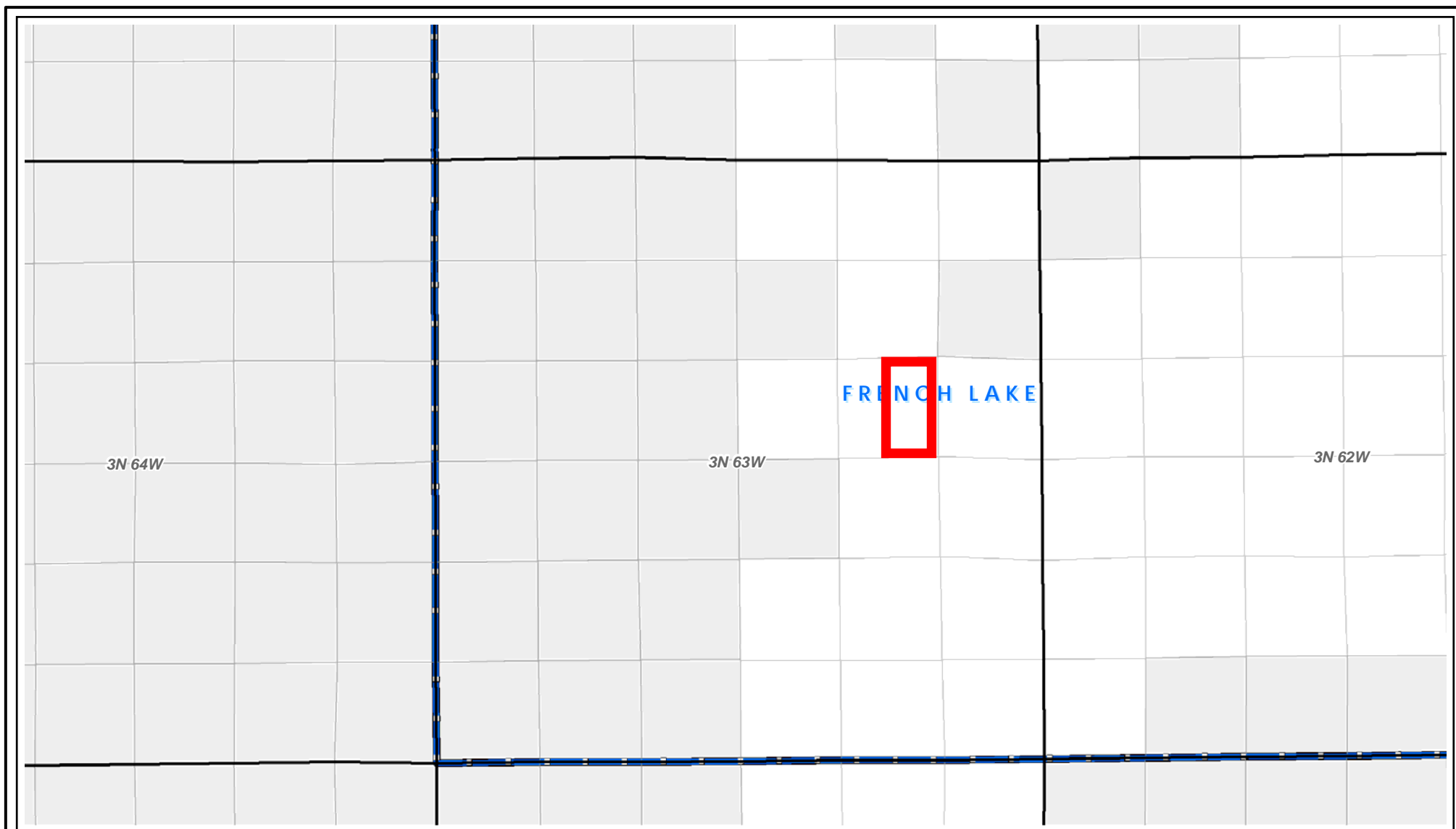
Subscribed and sworn to before me this 16th day of February, 2012.

Witness my hand and official seal.

My commission expires: 5-10-2014.




Notary Public



Legend

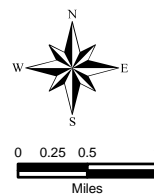
Proposed Spacing - April App



Existing Spacing Orders



NAD 83, NAD 27, US FT



 **Marathon Oil**

CO&G Commission
Application for
Drill Spacing - Niobrara

Weld County, CO

DSU_Application_Apr_2012_rev.mxd 2/16/2012