

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 ALLOWING UP TO FOUR (4) WELLS IN AN ESTABLISHED APPROXIMATE 640 ACRE DRILLING AND SPACING UNIT FOR THE DRILLING OF WELLS TO THE NIOBRARA FORMATION, UNDERLYING CERTAIN LANDS LOCATED IN TOWNSHIP 7 NORTH, RANGE 62 WEST, SECTION 28, 6TH P.M., IN WELD COUNTY, COLORADO

CAUSE NO:

ORDER NO:

DOCKET NO:

VERIFIED APPLICATION

COMES NOW the Applicant, Marathon Oil Company, by and through its attorneys, Poulson, Odell & Peterson, LLC, and files this application with the Oil and Gas Conservation Commission of the State of Colorado for an Order allowing up to four (4) wells in an established approximate 640 acre drilling and spacing unit for the drilling of wells to 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. That Applicant owns leasehold interests in all or part of the following lands in Weld County, Colorado:

Township 7 North, Range 62 West, 6th P.M.
Section 28: All

(the "Application Lands"). A reference map is attached as Exhibit "B".

4. Commission Order No. 407-559 (f.k.a. Order No. 535-43) applies to the Application Lands and permitted, among other things, one horizontal well within an approximate 640 acre drilling and spacing unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the wellbore for the permitted well(s) to be located no closer than 460' from the unit boundaries in accordance with Rule 318A., and surface locations for authorized well(s) to be consistent with Rule 318A.

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 enter an order allowing up to four (4) horizontal wells drilled to the Niobrara Formation in the established approximate 640 acre drilling and spacing unit, with the treated interval of the wellbore for the permitted well(s) to be located no closer than

460' from the unit boundaries in accordance with Rule 318A., and surface locations for authorized well(s) to be consistent with Rule 318A.

7. Applicant requests that this Commission take notice of the testimony and exhibits supporting another Marathon application, currently docketed as 1205-UP-149, which requests, among other things, up to four (4) wells to the Niobrara Formation, in 640 acre drilling and spacing units, on lands nearby the Application Lands. Said application is scheduled to be heard by the Commission prior to this application.

8. Applicant asserts the allowance of up to four (4) wells, in the existing unit on the Application Lands, is in the best interests of conservation, including accurate production accounting and efficient operation of the wells, is necessary to prevent waste, protect correlative rights and to assure the greatest recovery of gas and associated hydrocarbons from the Niobrara formation all in accordance with the Colorado statutes and the Commission rules.

9. Applicant asserts that up to four (4) wells, in the existing unit on the Application Lands, can be developed in a manner consistent with protection of public health, safety and welfare.

10. 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 July, 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: May 10, 2012.

MARATHON OIL COMPANY

By: _____

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COUNTY OF _____

MARATHON OIL COMPANY

Tricia L. Clarke

My commission expires: _____.

Notary Public

EXHIBIT A

David Bauer
Weld County LGD
1111 H Street
Greeley CO 80632

Colorado Division of Wildlife
6060 Broadway
Denver, CO 80216

Colorado Division of Health &
Environment
4300 Cherry Creek Drive S
Denver CO 80246-1530