

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 ESTABLISHED APPROXIMATE 640 ACRE DRILLING AND SPACING UNITS FOR THE DRILLING OF WELLS TO THE NIOBRARA FORMATION, UNDERLYING CERTAIN LANDS LOCATED IN TOWNSHIP 7 NORTH, RANGE 62 WEST, SECTIONS 2 AND 14, 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 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 two (2) established approximate 640 acre drilling and spacing units 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 2: All

Section 14: All

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

4. Commission Order No. 407-501 applies to the Application Lands and permitted, among other things, one horizontal well within each 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 to be no closer than 600 feet from the unit boundaries, without exception being granted by the Director.<sup>1</sup>

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<sup>1</sup> That portion of Order No. 407-501 which resulted in setbacks greater than ordinarily required by Rule 318A is a typographical error which, to the extent necessary, will be expressly remedied through this application as to the subject lands.

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 two (2) established approximate 640 acre drilling and spacing units, 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) 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 units 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 units 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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Jeremy I. Ferrin  
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STATE OF TEXAS )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

MARATHON OIL COMPANY

By: Tricia L. Clarke

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

Notary Public

## EXHIBIT A

Scott M. Campbell POULSON  
ODELL & PETERSON LLC 1775  
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Marathon Oil Company  
Attn: Tricia Clarke  
5555 San Felipe Street  
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Houston TX 77056

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

Lillian Cass Life Estate  
40003 County Road 84  
Briggsdale CO 80611

CONTINENTAL RESOURCES INC.  
20 N Broadway  
Oklahoma City OK 73102

PRIMA EXPLORATION INC.  
100 Fillmore St # 450  
Denver CO 80206

DIAMOND RESOURCES  
63 Inverness Dr. E. Ste. 200  
Englewood CO 80112

Kristen L. Johnson  
830 Holmes Place  
Berthoud CO 80513

CARRIZO OIL & GAS INC.  
500 Dallas St. Ste. 2300  
Houston TX 77002

Robinson Interests Inc.  
5005 Riverway Suite 200  
Houston TX 77056

CHESAPEAKE EXPLORATION LLC  
6011 N Western Ave.  
Oklahoma City OK 73118-1044

NOBLE ENERGY INC.  
1625 Broadway Ste. 2200  
Denver CO 80202

CONTEX ENERGY COMPANY  
627 Hillside Drive  
Dickenson NE 58601-2619

Phillips Petroleum Company  
8055 E. Tufts Ave. Parkway  
Denver CO 80237

ABH Baxter LLC  
P.O. Box 1649  
Austin TX 78767

Judy Schaefer Puett  
34397 Whispering Oaks  
Ridge Manor FL 33525

JC Petroleum Unit LLC  
P.O. Box 922  
Delhi LA 71232

First Presbyterian Church  
5300 Main Street  
Houston TX 77004

Hat Creek Royalty LTD  
P.O. Box 3240  
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Elsie Grace Nichols  
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