

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 DRILLING AND SPACING UNIT AND WELL LOCATION AND SETBACK RULES FOR THE DRILLING OF WELLS IN THE CODELL AND THE NIOBRARA FORMATION, UNDERLYING CERTAIN LANDS LOCATED IN 9 NORTH, RANGE 67 WEST, SECTION 6; TOWNSHIP 9 NORTH, RANGE 68 WEST, SECTION 24, 6TH P.M., IN WELD AND LARIMER 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 two (2) approximate 640 acre drilling and spacing units and subsurface well location and setback rules applicable to the drilling and producing of gas and associated hydrocarbons from the Codell and Niobrara Formations underlying certain described lands in Weld and Larimer 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 two (2) approximate 640 acre drilling and spacing units and subsurface well location and setback rules for the drilling of up to four horizontal wells to the Codell and the Niobrara Formation in the following described lands located in Weld and Larimer County, Colorado:

Township 9 North, Range 67 West, 6th P.M.  
Section 6: ALL

Township 9 North, Range 68 West, 6th P.M.  
Section 24: 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 Codell and the Niobrara Formations may produce oil and associated hydrocarbons in economic volumes from the Codell and the Niobrara Formations.

6. Applicant requests the Commission to create two (2) approximate 640 acre drilling and spacing unit for the drilling of up to four horizontal wells to the Codell and Niobrara Formations 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 Codell and Niobrara Formations 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 Codell and the Niobrara Formation is a common source of supply underlying the Application Lands. Moreover, the proposed approximate 640 acre drilling and spacing unit is 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 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 \_\_\_\_\_, 2012.

MARATHON OIL COMPANY

By: \_\_\_\_\_  
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[illegible]

MARATHON OIL COMPANY

By: Tricia L. Clarke

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

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Notary Public

EXHIBIT A

Scott M.  
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Marathon Oil  
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County Planning  
LGD  
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80522

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6060 Broadway  
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Colorado  
Division of Health &  
Environment  
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1530

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Exploration LLC  
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Oklahoma City OK,  
73154

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Hebbert  
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Bellvue CO 80512

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& Martha S.  
Gutierrez  
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Fisher  
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Arvada CO 80002

Joyce Ann  
Grenz  
2412 Kodiak  
Fort Collins CO  
80525

Janet Lee  
Bunton aka Janet  
Lee Bradshaw  
2219 Kiowa Court  
Fort Collins CO  
80525

Laura K.  
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Mark A.  
Cutter & Kara A.  
Cutter  
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80549

Christopher  
C. Lehmann & Darcy  
L. Lehmann  
8030 Timber Wolf  
Circle  
Wellington CO  
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William M.  
Eaton & Susan Lynn  
Eaton  
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Wellington CO  
80549

Alan  
Brownwood & Paula  
J. Stokley  
2841 Summit Court  
Fort Collins CO  
80524

Heirs of  
Charlotte R. Marbut  
deceased  
ADDRESS  
UNKNOWN

Carpenter &  
Mc Aleer Associates  
a Partnership  
1600 Broadway  
Suite 660  
Denver CO N/A

Don B. &  
Pamela S. Bruns as  
joint tenants  
10000 North County  
Road 3  
Wellington CO  
80549

John A.  
Maslankowski  
6424 E. County  
Road 66  
Wellington CO  
80549

Mark A. &  
Karen S. Morgan as  
joint tenants  
2400 Terry Lake  
Road  
Fort Collins CO  
80524

Rubicon Oil &  
Gas II LP  
508 West Wall  
Avenue Suite 500  
Midland TX 79701

Heirs of  
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Grenz  
2412 Kodiak  
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Lowe & Susan Page  
Lowe  
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80549

Codel D.  
Charvet  
7050 E. County  
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