

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

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| 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 3 NORTH, RANGE 63 WEST, SECTION 22, 6TH P.M., IN WELD COUNTY, COLORADO | CAUSE NO:<br><br>ORDER NO:<br><br>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 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 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. Applicant owns leasehold interests in all or part of the following lands in Weld County, Colorado:

Township 3 North, Range 63 West, 6th P.M.  
Section 22: All

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

3. Commission Order No. 407-560 (Corrected) 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 surface location for authorized wells to be consistent with Rule 318A, with the treated interval of the wellbore for the permitted well to be no closer than 460 feet from the unit boundaries, without exception being granted by the Director of the Commission.

4. Commission Order No. 407-528 (a.k.a. 535-103) applies to the Application Lands and permitted, among other things, two horizontal wells within an approximate 640 acre drilling and spacing unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the surface location of the permitted well to be located within authorized GWA drilling windows, with the treated interval of the wellbore for the permitted well to be no closer than 460 feet from the unit boundaries, without exception being granted by the Director.

5. Applicant requests an order allowing up to four (4) wells in the established approximate 640 acre drilling and spacing unit for the drilling of wells to the Niobrara Formation.

6. 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.

7. Applicant requests that the Commission enter an order allowing up to four (4) wells to the Niobrara Formation, in the established approximate 640 acre drilling and spacing unit, with the surface location for authorized wells to be consistent with Rule 318A, with the treated interval of the wellbore for the permitted well to be no closer than 460 feet from the unit boundaries, without exception being granted by the Director of the Commission.

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 the protection of public health, safety and welfare.

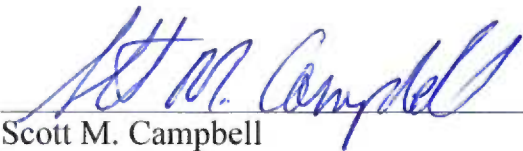
10. Pursuant to Rule 503(d) of this Commission, within seven (7) days of the filing of this Application, the Applicant shall submit a Certificate of Service to the Commission demonstrating that the Applicant served a copy of the Application on all persons entitled to Notice by mailing a copy thereof, 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 mail.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in August, 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: June 21, 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 **Amended** Application and that the matters therein contained are true to the best of his knowledge, information and belief.

MARATHON OIL COMPANY

By:

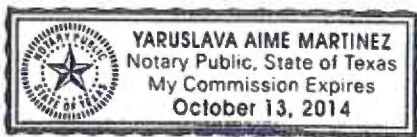
Collin Hoover

Subscribed and sworn to before me this 13 day of **June**, 2012.

Witness my hand and official seal.

**My commission expires:**

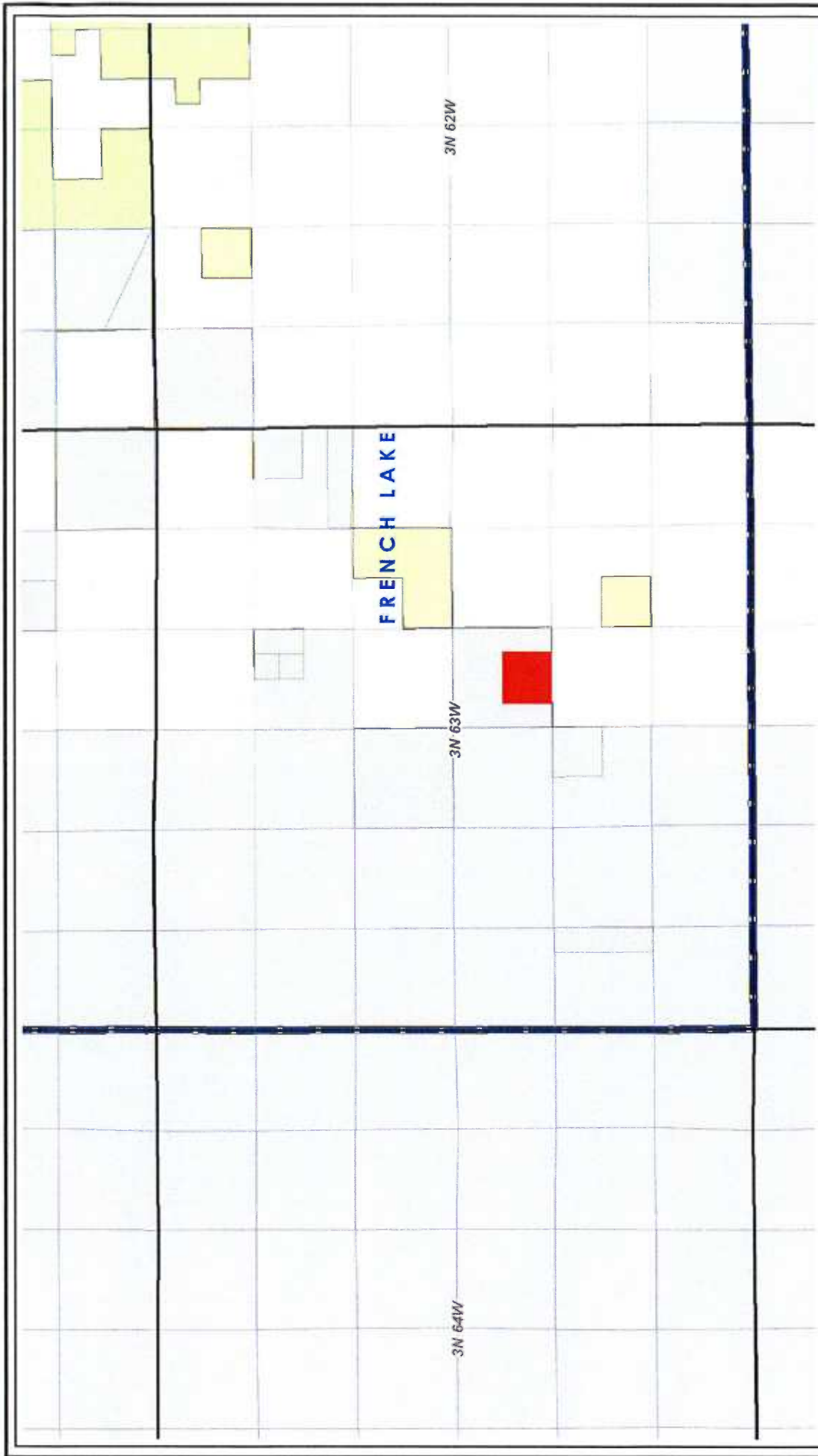
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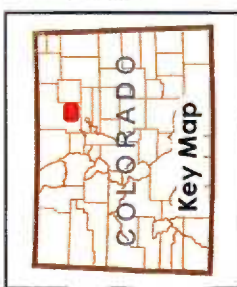
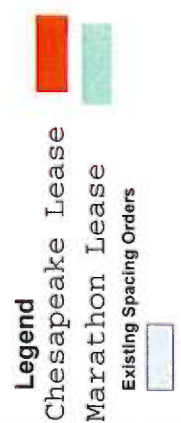
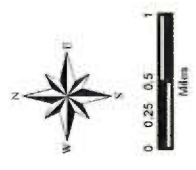
**Notary Public**

**EXHIBIT A  
INTERESTED PARTIES**

|   |   |  |
|---|---|--|
| Scott M. Campbell<br>POULSON ODELL &<br>PETERSON LLC<br>1775 Sherman, Suite 1400<br>Denver, CO 80203-4319   | David Bauer<br>Weld County LGD<br>1111 H Street<br>Greeley, CO 80632                                      | Colorado Dept of Wildlife<br>Attn: Kim Kaal, Energy<br>Liaison<br>711 Independent Ave.<br>Grand Junction, CO 81505 |
| Coloado Dept of Public<br>Health & Environment<br>Attn: Kent Kuster, Oil &<br>Gas Consultant Coordinator<br>4300 Cherry Creek Dr. S<br>Denver, CO 80246-1500        | Marathon Oil Company<br>Attn: Collin Hoover<br>5555 San Felipe Street<br>PO Box 4813<br>Houston, TX 77056 | Chesapeake Energy<br>6100 N Western Ave<br>Oklahoma City, OK 73118   |
| Hobe Minerals Limited<br>Liability Company<br>7475 Highland Drive<br>Lakewood, CO 80214   | State of Coloado<br>1127 Sherman Street, Ste<br>300<br>Denver, CO 80214                                   | Marubeni Denver Jules<br>Burg LLC<br>2800 Post Oak Blvd, Ste<br>6000<br>Houston, TX 77056                          |
| OOGC America, Inc.<br>x/o CNOOC International<br>Limited<br>PO Box 4705<br>No. 25 Chaoyangmenbei<br>Dajie Dongcheng District<br>Beijing 100010<br><b>P.R. CHINA</b> | OOGC America, Inc.<br>c/o The Corporation<br>Company<br>1675 Broadway, Suite 1200<br>Denver, CO 80202     | OOGC America, Inc.<br>11700 Katy Freeway, Ste<br>2800<br>Houston, TX 77079   |
| OOGC America, Inc.<br>c/o Chesapeake Energy<br>6100 N Western Ave<br>Oklahoma City, OK 73118  |   |  |



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**Marathon Oil**

**CO&G Commision**  
 Application for  
 Drill Spacing - Niobrara

Weld County, CO  
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