

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

IN THE MATTER OF THE AMENDED 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 60 WEST, SECTION 30, 6TH P.M., IN WELD COUNTY, COLORADO	CAUSE NO: ORDER NO: DOCKET NO: 1208-AW-16
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AMENDED VERIFIED APPLICATION

COMES NOW the Applicant, Marathon Oil Company, by and through its attorneys, Poulson, Odell & Peterson, LLC, and files this **amended** 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 60 West, 6th P.M.
Section 30: All

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

3. **Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply. The Application Lands are subject to this Rule for the Niobrara Formation.**

4. On June 30, 2011, effective June 27, 2011, (corrected July 12, 2011) the Commission entered Corrected Order No. 535-41 which established a 640 acre drilling and spacing unit for the Application Lands, for the drilling of up to two horizontal wells to the Niobrara Formation, **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.**

5. On January 26, 2011, effective January 23, 2011, the Commission entered Order No. 535-114, at the request of Carrizo Oil & Gas, Inc., which force pooled all nonconsenting interests in the drilling and spacing unit for the drilling of "a horizontal well" to the Niobrara Formation. By separate application, Applicant is concurrently requesting that the Commission vacate Order No. 535-114.

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 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 **600'** from the unit boundaries in accordance with Rule 318.a.

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 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: July 19, 2012.

MARATHON OIL COMPANY

By: Scott M Campbell KLI
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 Harris

)
) ss.
)

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

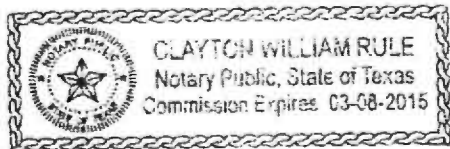
MARATHON OIL COMPANY

By Tricia L. Clarke
Tricia L. Clarke

Subscribed and sworn to before me this 19th day of June, 2012.

Witness my hand and official seal.

My commission expires: 3-8-2015.



Clayton William Rule
Notary Public

EXHIBIT A
INTERESTED PARTIES

Scott M. Campbell
POULSON ODELL &
PETERSON LLC
1775 Sherman Street Suite
1400
Denver CO 80203

Colorado Dept. of Wildlife
Attn: Kim Kaal Energy
Liaison
711 Independent Ave
Grand Junction CO 81505

Pergamos LP
5416 Birchman Avenue
Fort Worth TX 76107

Petroleum Development
Corporation
1775 Sherman Street Suite
3000
Denver CO 80203

Swanson Production
Company
339 Indian Paintbrush Dr.
Golden CO 80401-8840

Marathon Oil Company
Attn: Tricia Clarke
5555 San Felipe Street
PO Box 4813
Houston TX 77056

Colorado Dept. Of Public
Health & Environment
Attn: Kent Kuster Oil &
Gas Consultant Coordinator
4300 Cherry Creek Dr S
Denver CO 80246-1500

Sunray Capital LP
201 W. California Street
Gainesville TX 76240

HS Resources
1999 Broadway Suite 3600
Denver CO 80202

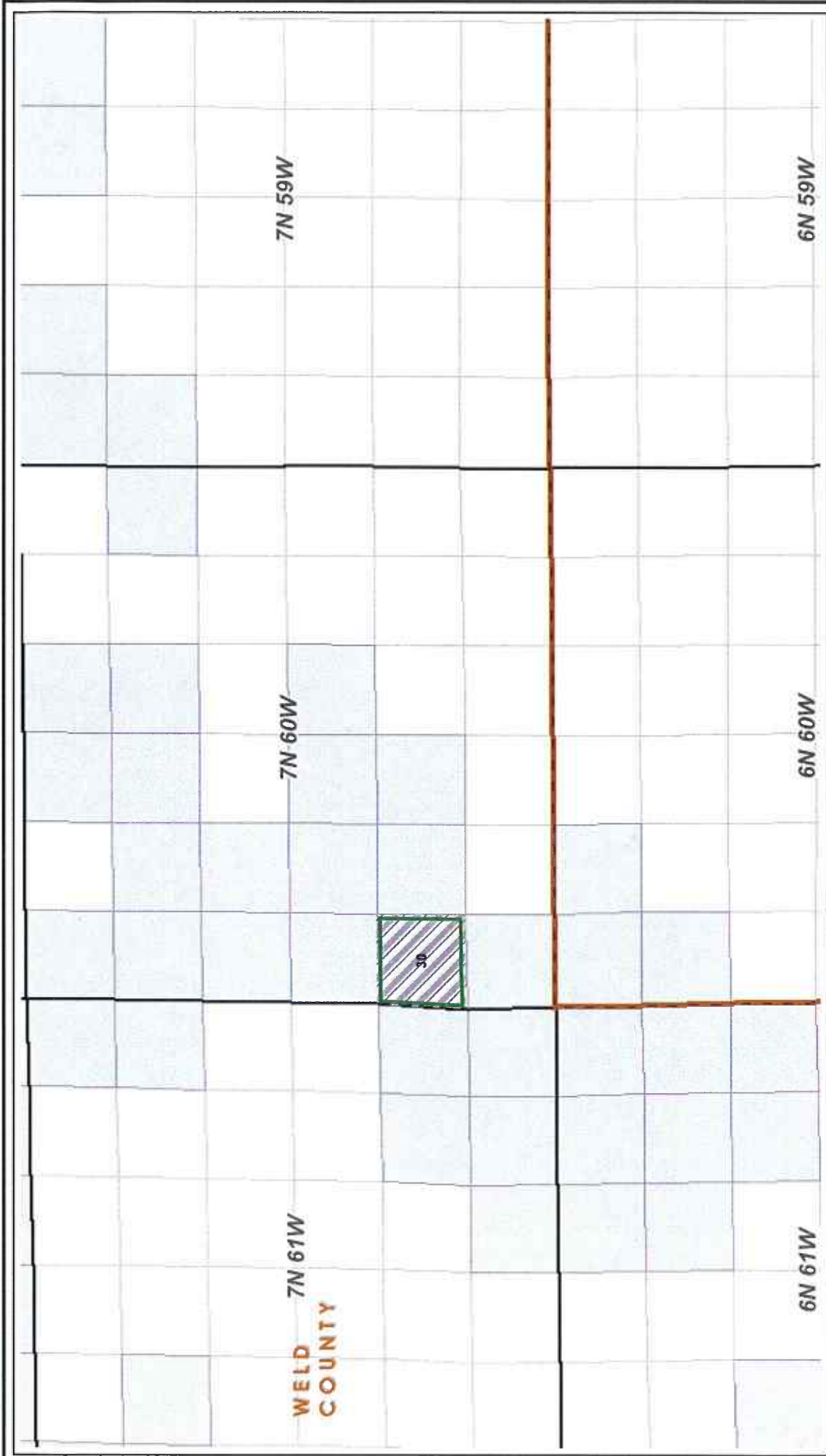
Carrizo Oil & Gas Inc.
500 Dallas Street Suite 2300
Houston TX 77002

David Bauer
Weld County LGD
1111 H Street
Greeley CO 80632

Slick Rock LP
5416 Birchman Avenue
Fort Worth TX 76107

WREE Holdings LLC
5416 Birchman Avenue
Fort Worth TX 76107

HS Resources
c/o Anadarko Petroleum
Corporation Successor-in-
Interest
1201 Lake Robbins Drive
The Woodlands Texas
77380



Marathon Oil

CO&G Commission
Drill Spacing Application
Niobrara

Weld County, CO

DSU_App_AUG_2012_CV2_ID_AW3.mxd 6/19/2012

August, 2012 Application for Niobrara:
 Increase density from 1 to 4 Wells
 7N 60W, SECT 30

NAD 83, NAD 27, US FT
 1:100,000



Legend

Increase Spacing Density from 1 to 4 Wells

Existing Spacing Orders

