

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 34, 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 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 34: All

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

3. On April 27, 1988, the Commission adopted Rule 318A., which among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A. was amended to, among other things, allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On September 30, 2011, Rule 318A. was again amended to, among other things, more specifically address circumstances involving the drilling of horizontal well(s). The Application Lands are covered by this Rule.

4. On June 30, 2011, effective June 27, 2011, the Commission entered Order No. 535-38 which established a 640 acre drilling and spacing unit for the Application Lands, for the drilling of "one horizontal well" to the Niobrara Formation.

5. On August 12, 2011, effective August 8, 2011, the Commission entered Order No. 535-52, at the request of Chesapeake Exploration, LLC, which force pooled all nonconsenting interests in the drilling and spacing unit for the drilling of only one horizontal well, the Franks #7-62

34-1H Well, to the Niobrara Formation. By separate application, Applicant is concurrently requesting that the Commission vacate Order No. 535-52.

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

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.

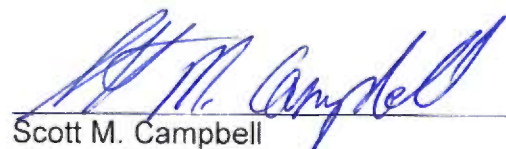
10. Pursuant to Rule 503(d) of this Commission, within seven (7) days of the filing of this Application, the Applicant shall submit a Certificate of Service to the Commission demonstrating that the Applicant served a copy of the Application on all persons entitled to Notice by mailing a copy thereof, 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: June 21, 2012.

MARATHON OIL COMPANY

By:



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Jeremy I. Ferrin  
POULSON, ODELL & PETERSON, LLC  
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Telephone: (303) 861-4400  
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VERIFICATION

STATE OF TEXAS )  
 ) ss.  
COUNTY OF Harris )

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

MARATHON OIL COMPANY

By: Tricia L. Clarke  
Tricia L. Clarke

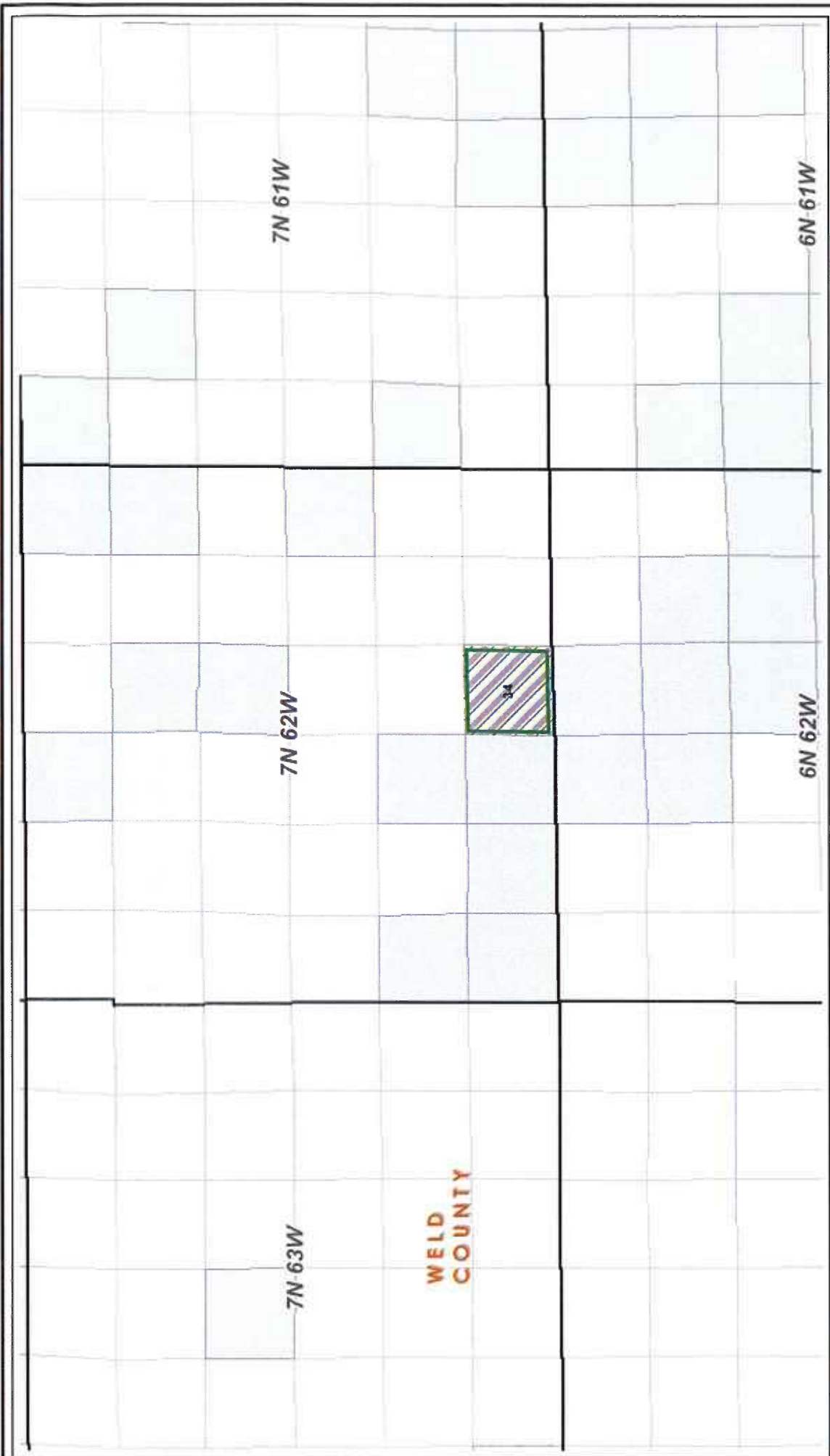
Subscribed and sworn to before me this 19<sup>th</sup> day of June, 2012.


Witness my hand and official seal.

My commission expires: April 6, 2015.

Katie Howell  
Notary Public





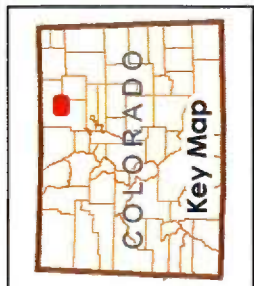

**Marathon Oil**  
**CO & G Commission**  
**Drill Spacing Application**  
**Niobrara**  
 Weld County, CO  
 DSU\_App1\_AUG\_2012\_CV\_ID\_AW3.mxd 6/19/2012

August, 2012 Application for Niobrara:  
 Increase density from 1 to 4 Wells  
 7N 62W, SECT 34

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



**Legend**  
 Increase Spacing Density from 1 to 4 Wells  
 Existing Spacing Orders



**WELD  
 COUNTY**