

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 TWO (2)
ESTABLISHED APPROXIMATE 640 ACRE
DRILLING AND SPACING UNITS FOR THE
DRILLING OF WELLS TO THE CODELL AND
NIOBRARA FORMATIONS, UNDERLYING
CERTAIN LANDS LOCATED IN TOWNSHIP 8
NORTH, RANGE 66 WEST, SECTION 8,
TOWNSHIP 9 NORTH, RANGE 66 WEST,
SECTION 4, 6TH P.M., IN WELD COUNTY,
COLORADO

CAUSE NO: 535

ORDER NO:

DOCKET NO:

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 two (2) established approximate 640 acre drilling and spacing units for the drilling of wells to the Codell and Niobrara Formations, 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 8 North, Range 66 West, 6th P.M.
Section 8: ALL

Township 9 North, Range 66 West, 6th P.M.
Section 4: ALL

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

3. Commission Order No. 535-2 applies to the Application Lands and permitted, among other things, one horizontal well in each of the Codell and Niobrara Formations, in each approximate 640 acre drilling and spacing unit, for the production of

oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, with the initial formation penetration, lateral leg, and terminus (bottomhole location) of the permitted wells no closer than 600 feet from the boundaries of the unit and the initial formation penetration, lateral leg and terminus (bottomhole location) of the second well not closer than 1,200 feet from the first well.

4. 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 Niobrara Formations may produce oil and associated hydrocarbons in economic volumes from the Codell and Niobrara Formations.

5. Applicant requests that the Commission enter an order allowing up to four (4) wells to the Codell and Niobrara Formations, in the established approximate 640 acre drilling and spacing units, with the surface location of the permitted well to be located anywhere within the existing unit and the treated interval of the wellbore for the permitted well to be no closer than 600 feet from the unit boundary.

6. Applicant requests that this Commission take notice of the testimony and exhibits supporting another Marathon application, currently docketed as 1207-SP-72, which requests, among other things, up to four (4) horizontal wells to the Codell and Niobrara Formations, 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.

7. 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 Codell and Niobrara Formations all in accordance with the Colorado statutes and the Commission rules.

8. Applicant asserts that up to four (4) wells, in the existing units on the Application Lands, can be developed in a manner consistent with the protection of public health, safety and welfare.

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 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

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VERIFICATION

STATE OF TEXAS

COUNTY OF Harris

)
) ss.
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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

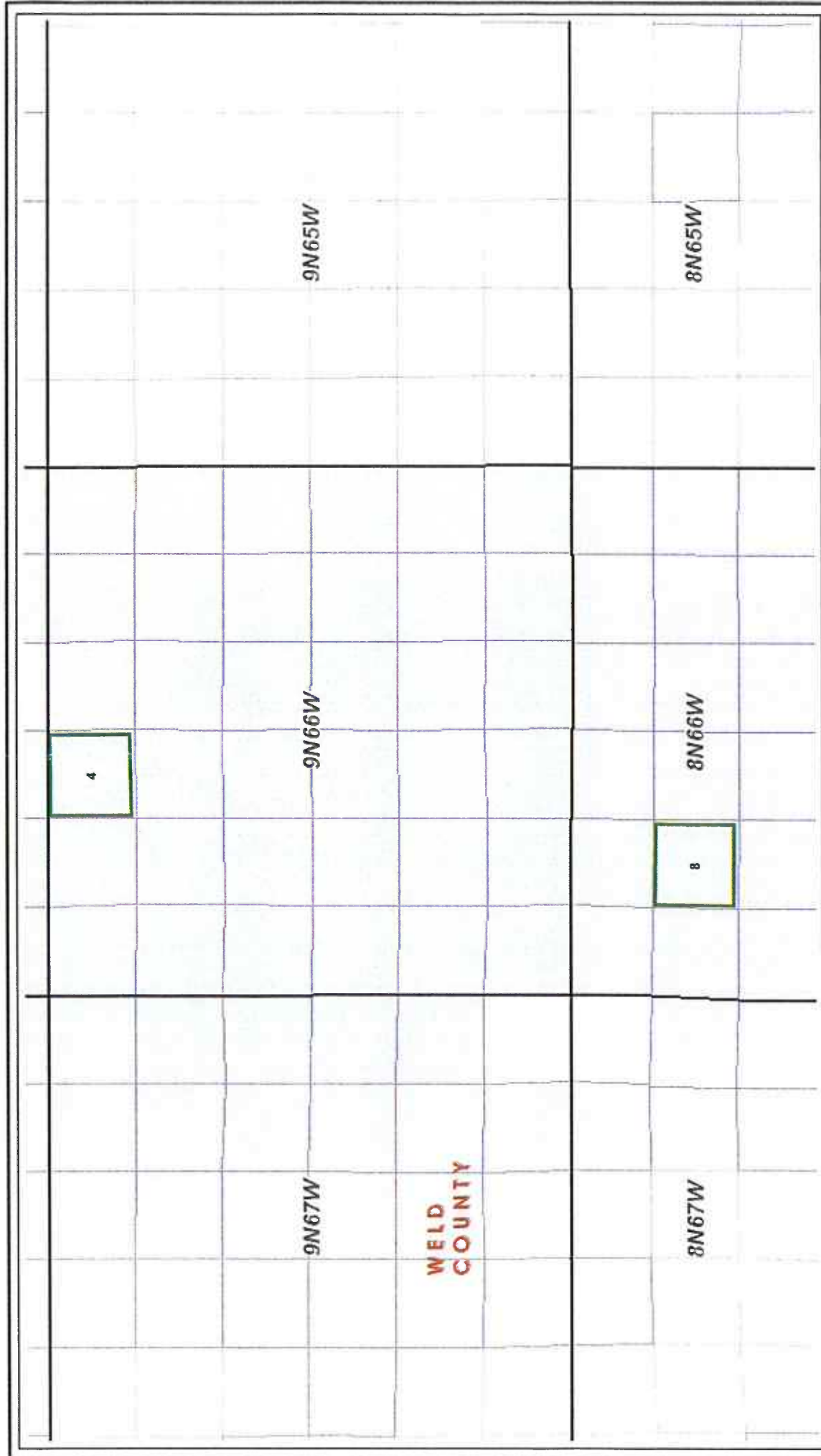
Subscribed and sworn to before me this 19th day of June, 2012.

Witness my hand and official seal.

My commission expires: April 6, 2015.

Katie Howell
Notary Public





Marathon Oil

CO&G Commission
 Drill Spacing Application
 Codell & Niobrara

Weld & Larimer County, CO
 DSU_Appl_Aug_2012_BH_AW1.mxd 6/19/2012

August, 2012 Application for Codell / Niobrara:
 8N 66W, SECT 8
 9N 66W, SECT 4

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



Legend

Proposed Spacing 4 Wells - 640 Ac

Existing Spacing Orders

