

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 VACATING FORCED POOLING ORDER NO. 535-52 AS IT APPLIES TO TOWNSHIP 7 NORTH, RANGE 62 WEST, SECTION 34, 6TH P.M., IN WELD COUNTY, COLORADO	CAUSE NO: ORDER NO: DOCKET NO:
---	--

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 vacating forced pooling Order No. 535-52 as it applies to 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.

6. The Commission's COGIS Well information currently shows that the status of the Franks #7-62 34-1H Well is "AL", *i.e.*, that it is an abandoned location.

7. Applicant has since drilled the Crow Valley 7-62-34 #2H well in Section 34. 100% of the working interest owners in the Application Lands participated in the drilling of the Crow Valley 7-62-34 #2H Well.

8. Forced pooling is valid only when accompanied by an intention to drill a particular well within a reasonable amount of time. See COGCC Rule 530. The contemplated well serves as the basis for the AFE required to be served upon all nonconsenting owners as a condition precedent to force pooling. The abandonment of the APD upon which the AFE was calculated works to void the force pooling order.

9. Applicant asserts that the requested relief 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.

10. By separate application, Applicant is concurrently requesting that the Commission amend 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; to instead authorize the drilling of up to four (4) wells to the Niobrara Formation in the established approximate 640 acre drilling and spacing unit.

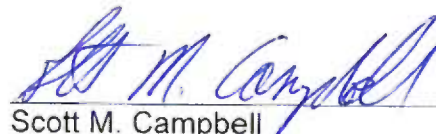
11. Pursuant to Rule 503(d) of this Commission, within seven (7) days of the filing of this Application, the Applicant shall submit a Certificate of Service to the Commission demonstrating that the Applicant served a copy of the Application on all persons entitled to Notice by mailing a copy thereof,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



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 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

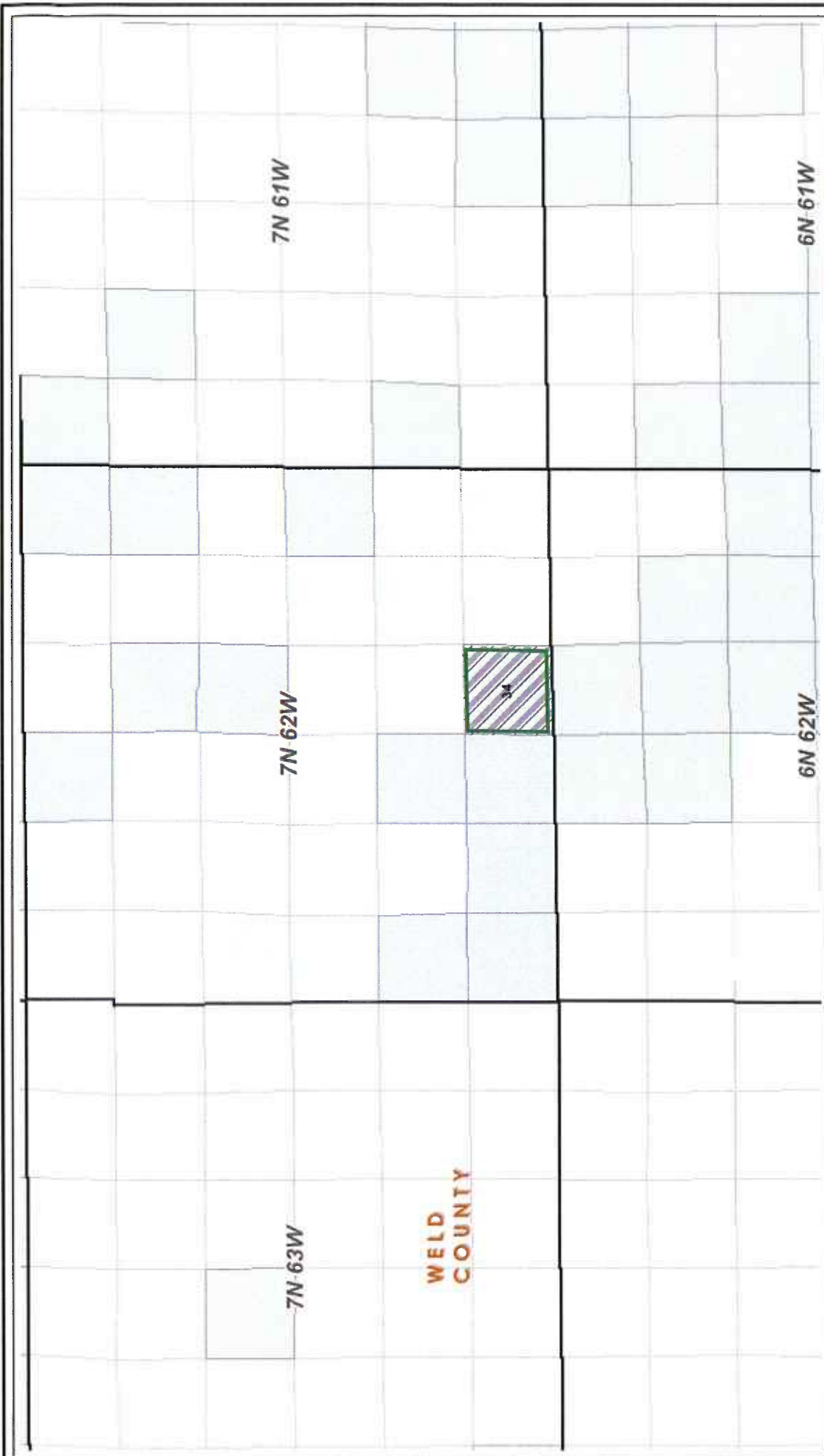
Subscribed and sworn to before me this 19th day of June, 2012.

Witness my hand and official seal.

My commission expires: April 6, 2015.

Katie Howell
Notary Public





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

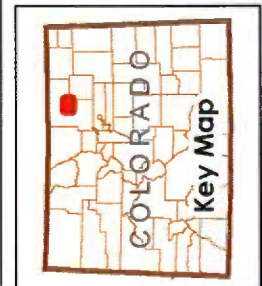
NAD 83, NAD 27, US FT
1:100,000



Legend

Increase Spacing Density from 1 to 4 Wells

Existing Spacing Orders



Marathon Oil

CO&G Commision
Drill Spacing Application
Niobrara
Weld County, CO

DSU_Appl_AUG_2012_CV_ID_AW3.mxd 6/19/2012