

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

IN THE MATTER OF THE APPLICATION OF MALLARD)	
EXPLORATION, LLC, FOR AN ORDER TO ESTABLISH)	CAUSE NO. 535
AN APPROXIMATE 1,280-ACRE DRILLING AND)	
SPACING UNIT FOR SECTIONS 10 & 15, TOWNSHIP 8)	DOCKET NO. 171000735
NORTH, RANGE 60 WEST, 6TH P.M., AND)	
AUTHORIZING THE DRILLING OF SIXTEEN)	TYPE: Spacing
HORIZONTAL WELLS WITHIN THE PROPOSED UNIT,)	
FOR PRODUCTION FROM THE CODELL, FORT HAYS,)	
CARLILE, AND NIOBRARA FORMATIONS, UNNAMED)	
FIELD, WELD COUNTY, COLORADO)	

SECOND AMENDED APPLICATION

Mallard Exploration, LLC (“Mallard” or “Applicant”), Operator #10670, by and through its attorneys, The Shanor Group LLC, respectfully submits this Second Amended Application to the Oil and Gas Conservation Commission of the State of Colorado (“Commission” or “COGCC”) for an order to: (1) vacate two approximate 640-acre drilling and spacing units, as established by Order No. 535-3, for Sections 10 and 15, Township 8 North, Range 60 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Niobrara Formation, and (2) establish an approximate 1,280-acre drilling and spacing unit for Sections 10 and 15, Township 8 North, Range 60 West, 6th P.M., and authorize the drilling of 16 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations. **On or about September 19, 2017, Mallard submitted its Amended Application to amend Order No. 535-3 to authorize the drilling of an additional 15 horizontal wells, for a total of 16 horizontal wells, within the approximate 640-acre drilling and spacing unit established for Section 15, Township 8 North, Range 60 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile and Niobrara Formations. This Second Amended Application supersedes and replaces the Amended Application.** In support of this Second Amended Application (“Application”), Applicant states and alleges as follows:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado, and has registered as an operator with the COGCC.
2. Applicant owns substantial leasehold interests in the below-listed lands (“Application Lands”):

Township 8 North, Range 60 West, 6th P.M.
Section 10: All
Section 15: All

Exhibit A, an Application Map, is attached hereto.

3. COGCC Rule 318.a. provides that for any oil or gas well drilled to a common source of supply and drilled to a producing depth at least 2,500 feet below ground surface shall be located not less

than 600 feet from any lease line and not less than 1,200 feet from any other producing or drilling oil or gas well when drilling to the same source of supply, unless authorized by Commission order upon hearing. Sections 10 and 15, Township 8 North, Range 60 West, 6th P.M., are subject to this Rule for production of oil and gas from the Codell, Fort Hays and Carlile Formation.

4. On February 22, 2011, the Commission issued Order No. 535-3 which, among other things, established two approximate 640-acre drilling and spacing units for Sections 10 and 15, Township 8 North, Range 60 West, 6th P.M., and authorized the drilling of one horizontal well within said units, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of any permitted well located no closer than 600 feet from the unit boundaries.

Vacating two approximate 640-acre drilling and spacing units established for Sections 10 and 15, Township 8 North, Range 60 West, 6th P.M., for production from the Niobrara Formation

5. Applicant herein requests the approximate 640-acre drilling and spacing units established by Order No. 535-3, which authorized the drilling of one horizontal well within each unit, for Sections 10 and 15, Township 8 North, Range 60 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Niobrara Formation, be vacated. By vacating these 640-acre units, Applicant will herein propose the establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands (which includes said Sections 10 and 15), and authority to drill 16 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations. This proposed development plan will allow the drilling of 16 two-mile laterals running north-to-south or south-to-north within the proposed unit, thereby preventing waste while protecting correlative rights within the proposed unit area. The Fort Hays and Carlile Formations are non-target formations and are included in the proposed drilling and spacing unit at Commission's request in the event any permitted horizontal wellbore deviates into these formations.

Establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands, for production from the Codell, Fort Hays, Carlile, and Niobrara Formations

6. Applicant herein seeks the establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands, and the authority to drill 16 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations. Further, the establishment of the drilling and spacing unit is not smaller than the area which can be efficiently and economically drained by the drilling of the requested horizontal wells to be drilled within said unit.

7. Applicant herein requests the treated intervals of any horizontal well permitted under this Application should be located not less than 600 feet from proposed unit boundaries and not less than 150 feet from the treated interval of any other well producing or drilling from the Codell, Fort Hays, Carlile, and/or Niobrara Formations, without exception being granted by the Director.

8. Further, Applicant herein requests any permitted wells drilled under this Application should be located on no more than four multi-well pads within the drilling and spacing unit, or on adjacent lands with surface owner consent, without exception being granted by the Director.

9. The granting of this Application is in accord with the Oil and Gas Conservation Act found at §34-60-101, *et seq.*, C.R.S., and the COGCC rules.

10. Applicant requests that relief granted as result of this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by the oral order of the Commission.

11. That the names and addresses of interested parties (owners within the Application Lands) according to the information and belief of the Applicant are set forth in Exhibit B. The Applicant shall submit a certificate of service for the Application within seven days as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests this matter be set for hearing, notice be given as required by law, and that upon such hearing the Commission enter its order:

A. Vacating two approximate 640-acre drilling and spacing units, as established by Order No. 535-3, for Sections 10 and 15, Township 8 North, Range 60 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Niobrara Formation.

B. Establishing an approximate 1,280-acre drilling and spacing unit for the Application Lands, and authorizing the drilling of 16 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations, with the treated interval of any horizontal well permitted under this Application located not less than 600 feet from unit boundaries and not less than 150 feet from any other well producing or drilling from the Codell, Fort Hays, Carlile, and/or Niobrara Formations, without exception being granted by the Director.

C. Limiting the drilling of any permitted wells under this Application to no more than four multi-well pads within the drilling and spacing unit, or on adjacent lands with surface owner consent, without exception being granted by the Director.

D. For such other findings and orders as the Commission may deem proper or advisable given the premises.

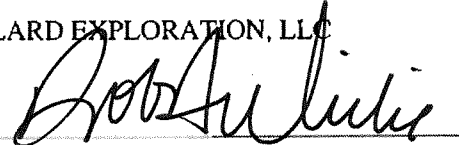
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DATED this 30th day of March, 2018.

Respectfully submitted,

MALLARD EXPLORATION, LLC

By:



Robert A. Willis (Colorado Bar #26308)
The Shanor Group LLC
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Denver, CO 80202
(303) 995-5120

Applicant's Address:
1821 Blake Street, Suite 2B
Denver, CO 80202

VERIFICATION

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

Jordan Mattson, VP of Land for Mallard Exploration, LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

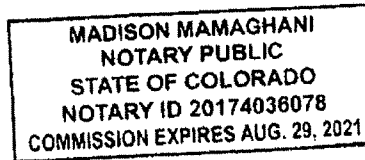
MALLARD EXPLORATION, LLC


Jordan Mattson

Subscribed and sworn to before me this 30th day of March, 2018, by Jordan Mattson, VP of Land for Mallard Exploration, LLC.

Witness my hand and official seal.

My commission expires: 8/29/21




Notary Public

 - Application Lands

 - Existing Units

Township 8 North, Range 60 West, 6th P.M.

Exhibit A
Application Map

6	5	4	3	2	1		
7	8	9	10	11	12		
18	17	16	15	14	13		
19	20	21	22	23	24		
30	29	28	27	26	25		

EXHIBIT B

INTERESTED PARTIES

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