

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

IN THE MATTER OF THE PROMULGATION AND )	CAUSE NO. 535
ESTABLISHMENT OF FIELD RULES TO GOVERN )	
OPERATIONS FOR THE NIOBRARA, FORT HAYS, )	DOCKET NO. 180100076
CARLILE, AND CODELL FORMATIONS, UNNAMED )	
FIELD, WELD COUNTY, COLORADO )	TYPE: SPACING


NOTICE OF WITHDRAWAL AND SUBSTITUTION OF COUNSEL

NOTICE IS HEREBY GIVEN that, pursuant to C.R.C.P. 121§ 1-1.1(a), attorneys Dave Neslin and Greg Nibert Jr. of Davis Graham & Stubbs, LLP hereby withdraw as counsel of record for Applicant Mallard Exploration, LLC ("Mallard"), and simultaneously, attorney Jamie Jost of Jost Energy Law, P.C., hereby substitutes as counsel for Mallard, replacing Davis Graham & Stubbs, LLP. The foregoing attorneys and their law firms agree to this withdrawal and substitution. Mallard has requested and agrees with this withdrawal and substitution of counsel.

Counsel requests the Hearing Officer enter the withdrawal upon receipt of this Notice and Dave Neslin and Greg Nibert Jr., Davis Graham & Stubbs, LLP from this matter.

Dated: December 18, 2017

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

IN THE MATTER OF THE PROMULGATION AND ) CAUSE NO. 535  
ESTABLISHMENT OF FIELD RULES TO )  
GOVERN OPERATIONS FOR THE NIOBRARA, ) DOCKET NO.  
FORT HAYS, CARLILE, AND CODELL )  
FORMATIONS, UNNAMED FIELD, WELD ) TYPE: SPACING  
COUNTY, COLORADO )

APPLICATION

Pursuant to C.R.S § 34-60-116, Mallard Exploration, LLC (Operator # 10670) ("Applicant"), respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to 1) vacate the approximate 1920-acre drilling and spacing unit established by Orders 535-647 and 535-785; and 2) establish one approximate 960-acre drilling and spacing unit for the following lands:

Township 9 North, Range 59 West, 6<sup>th</sup> P.M.  
Section 31: W½

Township 9 North, Range 60 West, 6<sup>th</sup> P.M.  
Section 36: All

Weld County, Colorado ("Application Lands"); and approve up to 16 horizontal wells within the unit for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations.<sup>1</sup>

In support of its 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 is an operator in good standing with the Commission.
2. Applicant owns leasehold interests in the Application Lands. A reference map of the Application Lands is attached as Exhibit A.
3. On March 18, 2015 (corrected July 6, 2015) the Commission entered Order 535-647, which, among other things, established an approximate 1,920-acre drilling and spacing unit for Sections 1 and 12, Township 8 North, Range 60 West, 6<sup>th</sup> P.M., and Section 36, Township 9 North, Range 60 West, 6<sup>th</sup> P.M., and approved up to 32 horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

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<sup>1</sup> The Fort Hayes and Carlile Formations are non-target formations and being included in the Application in the event the horizontal wellbore of the proposed wells deviate into these formations.

4. On May 1, 2017, the Commission entered Order 535-785, which, among other things amended Order 535-647 to include the Codell Formation in the previously established approximate 1,920-acre drilling and spacing unit.

5. Rule 318.a. requires that wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and 1,200 feet from any other producible or drilling oil or gas well that has the same common source of supply. The Application Lands are subject to this Rule for the Fort Hays and Carlile Formations.

6. Pursuant to C.R.S. § 34-60-116, Applicant requests that the Commission vacate the approximate 1920-acre drilling and spacing unit established by Orders 535-647 and 535-785, reverting all unspaced lands to those orders to statewide requirements under Rule 318.a., and establish one approximate 960-acre drilling and spacing unit underlying the Application Lands and approve up to 16 horizontal wells within the unit, with 12 horizontal wells to be drilled to the Niobrara Formation and four horizontal wells to be drilled to the Codell Formation. The productive interval of each such wellbore shall be located no closer than 600 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located within the unit, without exception being granted by the Director.

7. Applicant requests that the Commission authorize two wellpads within the unit or upon adjacent lands.

8. Applicant asserts that vacating the drilling and spacing unit established by Orders 535-647 and 535-785 establishing the proposed drilling and spacing unit will allow for the economic and efficient drainage of the Niobrara and Codell Formations, will prevent waste, will not adversely affect correlative rights, and will assure the greatest ultimate recovery of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations. The drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in these formations.

9. Pursuant to Rule 507.b.(1), the undersigned certifies that copies of this Application shall be served on each interested party as required by Rule 503.e.

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

A. Vacating the approximate 1920-acre drilling and spacing unit established by Orders 535-647 and 535-785.

B. Reverting Sections 1 and 12, Township 8 North, Range 60 West, 6<sup>th</sup> P.M., to the default statewide setback requirements under Rule 318.a.

C. Establishing one approximate 960-acre drilling and spacing unit comprised of the Application Lands for the development of and production from the Niobrara and Codell Formations, with the Fort Hays and Carlile Formations being non-target formations;

D. Authorizing up to 16 horizontal wells within the unit, with 12 horizontal wells to be drilled to the Niobrara Formation and four horizontal wells to be drilled to the Codell Formation. The productive interval of each wellbore shall be located no closer than 600 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located within the unit, without exception being granted by the Director;

E. Authorizing one wellpad within the unit or upon adjacent lands; and

F. For such other findings and orders as the Commission may deem proper or advisable in the matter.

Dated: November 30, 2017.

Respectfully submitted:

**MALLARD EXPLORATION, LLC**

By: \_\_\_\_\_

  
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**Exhibit A**  
**SP- T9N R59W Sec 31, T9N R60W Sec 36**

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**Docket No. 180100076**

**Interested Parties**

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