

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

IN THE MATTER OF THE PROMULGATION)	CAUSE NO. 535
AND ESTABLISHMENT OF FIELD RULES TO)	
GOVERN OPERATIONS FOR THE NIOBRARA,)	DOCKET NO. 180300124
FORT HAYS, CARLILE, AND CODELL)	
FORMATIONS, UNNAMED FIELD, WELD)	TYPE: SPACING
COUNTY, COLORADO)	

ORDER GRANTING MOTION FOR SUBSTITUTION OF PARTY

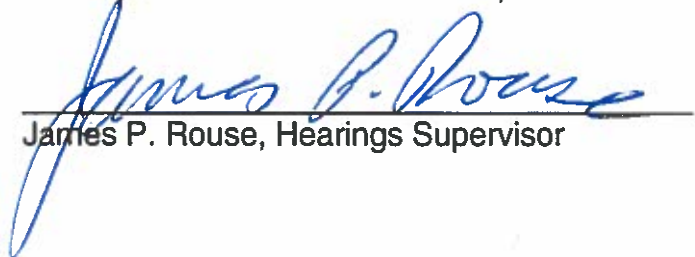
THIS MATTER came before the undersigned Hearing Officer on the Joint Unopposed Motion for Substitution of Party filed on February 1, 2019 by Mallard Exploration, LLC (Mallard") and Noble Energy, Inc. ("Noble"). The motion demonstrates that Noble has acquired the interests of Mallard in the lands affected by this proceeding and should be substituted as the applicant in place of Mallard.

Therefore, it is hereby:

ORDERED that the motion is granted and Noble is substituted for Mallard as the applicant herein.

Dated: February 4, 2019

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO,


James P. Rouse, Hearings Supervisor

CERTIFICATE OF SERVICE

On February 4, 2019, a true and correct copy of the foregoing Order Granting Motion for Substitution of Party was sent by electronic mail to the following:

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Burns Figa & Will
Attorneys for Verdad
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James P. Rouse, Hearings Supervisor

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

IN THE MATTER OF THE **AMENDED**
APPLICATION OF MALLARD EXPLORATION,
LLC FOR AN ORDER TO VACATE, IN PART,
ORDER NO. 535-3, VACATE ORDER NO.
535-239, **APPROVE 300' REDUCED
PRODUCTIVE INTERVAL SETBACKS FROM
THE UNIT BOUNDARY**, ESTABLISH AN
APPROXIMATE 1,280-ACRE DRILLING AND
SPACING UNIT FOR SECTIONS 16 AND 21,
TOWNSHIP 8 NORTH, RANGE 61 WEST, 6TH
P.M., AND APPROVE UP TO SIXTEEN (16)
NEW HORIZONTAL WELLS IN THE 1,280-
ACRE UNIT FOR THE DEVELOPMENT AND
OPERATION OF THE FORT HAYS, CARLILE,
CODELL AND NIOBRARA FORMATIONS,
WELD COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. 180300124

TYPE: SPACING

AMENDED APPLICATION

COMES NOW Mallard Exploration, LLC (Operator No. 10670) ("Applicant"), by and through its undersigned attorneys, and respectfully submits this **Amended** Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to: (1) vacate, in part, Order No. 535-3 as applied to Section 21 of the Application Lands (defined below), (2) vacate Order No. 535-239, (3) **approved 300' reduced setbacks on the proposed unit boundaries**, and (4) establish an approximate 1,280-acre drilling and spacing unit for Sections 16 and 21, Township 8 North, Range 61 West, 6th P.M., for the development and operation of the Fort Hays, Carlile, Codell and Niobrara Formations and to approve up to sixteen (16) new wells in the proposed approximate 1,280-acre drilling and spacing unit for the efficient and economic development of oil, gas, and associated hydrocarbons from the Fort Hays, Carlile, Codell and Niobrara Formations underlying the below-described lands. 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 a registered operator in good standing with the Commission.

2. Applicant is an Owner and/or Operator as defined by the Colorado Oil and Gas Conservation Act, § 34-60-103(7) and the Commission 100 Series Rules, owns leasehold interests and/or has the right to drill and produce on the following lands (hereafter "Application Lands"):

Township 8 North, Range 61 West, 6th P.M.

Section 16: All

Section 21: All

1,280 acres, more or less, Weld County, Colorado.

A reference map of the Application Lands is attached hereto.

3. On February 22, 2011, the Commission entered Order No. 535-3 which established, among other things, 640-acre drilling and spacing units for the Application Lands and allowed one (1) horizontal well to be drilled for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Order No. 535-3 also established 600' setbacks from the boundaries of the drilling and spacing unit without an exception being granted by the Director of the Commission. Order 535-3 applies to Section 21 of the Application Lands.

4. On January 23, 2012, the Commission entered Order No. 535-115 which, among other things, pooled all interests in an approximate 640-acre drilling and spacing unit for Section 21, Township 8 North, Range 61 West, 6th P.M., Weld County, Colorado for the development and operation of the Niobrara Formation for the Debrine #21-44-8-61 Well (API: 05-123-33958). Upon review of Commission records, the Debrine #21-44-8-61 Well is currently producing hydrocarbons from the Niobrara Formation.

5. On January 7, 2013, the Commission entered Order No. 535-239 which, among other things, approve up to six (6) horizontal wells within certain drilling and spacing units on lands in Townships 7, 8 and 9, Ranges 59, 60 and 61 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Order No. 535-239 applies to Section 21 of the Application Lands. Upon review of the Commission records, no additional wells were drilled within Section 21 under Order No. 535-239.

6. The Commission records reflect that there is one (1) horizontal well currently producing from the Niobrara Formation in the Application Lands, the Debrine #21-44-8-61 Well (API No. 05-123-33958).

7. Applicant requests that the Commission allow for the Debrine #21-44-8-61 Well to remain subject to Order No. 535-3, the order establishing existing 640-acre drilling and spacing unit as to the Niobrara Formation for the Debrine #21-44-8-61 Well, for purposes of payment of proceeds, and that the Debrine #21-44-8-61 Well be excluded from the 1,280-acre drilling and spacing unit proposed in this Application.

8. To promote efficient drainage within the Fort Hays, Carlile, Codell and Niobrara Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should: (a) vacate Order No. 535-3, in part, for Section 21

of the Application Lands for the reasons set forth in Paragraphs 6 and 7 above, and (b) vacate Order No. 535-239, as a whole, for Section 21 of the Application Lands.

9. To promote efficient drainage within the Fort Hays, Carlile, Codell and Niobrara Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish an approximate 1,280-acre drilling and spacing unit for Application Lands **and approve 300' reduced setbacks on the unit boundaries** for the efficient and economic development and operation of the Fort Hays, Carlile, Codell and Niobrara Formations.

10. The above-proposed drilling and spacing unit **and reduced productive interval setbacks** will allow efficient drainage of the Fort Hays, Carlile, Codell and Niobrara Formations; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs. The unit of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by the proposed well in the unit.

11. Mallard maintains that there will be no more than three (3) new well pads in the unit, or adjacent thereto, unless an exception is granted by the Director.

12. The treated interval of each proposed horizontal well shall be no closer than ~~600~~ **300** feet from the boundaries of the proposed 1,280-acre unit (regardless of lease lines within the unit), unless an exception is granted by the Director, and all horizontal wells shall be no closer than 150 feet from the treated interval of another well producing from the same supply within the unit, unless a waiver or consent is obtained from the operator of such well.

13. Mallard is requesting to drill and complete up to sixteen (16) new horizontal wells (at the time of this filing, the horizontal wells are intended to be oriented in a north to south/south to north orientation) in the proposed approximate 1,280-acre drilling and spacing unit for the efficient and economic development of oil, gas and associated hydrocarbons from the Fort Hays, Carlile, Codell and Niobrara Formations underlying the Application Lands.

14. The undersigned certifies that copies of this Application will be served on each interested party as required by Rule 507 within seven (7) days of the filing hereof, as required by Rule 503.e.

15. 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 Commission Rules.

16. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.

WHEREFORE, Mallard respectfully requests that this matter be set for hearing in ~~March~~ **October** 2018, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

A. Vacating Order No. 535-3, in part, as to Section 21 of the Application Lands;

B. Vacating Order No. 535-239 as to the Application Lands;

C. Establishing an approximate 1,280-acre drilling and spacing unit for Sections 16 and 21, Township 8 North, Range 61 West, 6th P.M., and allowing up to sixteen (16) new horizontal wells in the unit in order to efficiently and economically develop and recover the Fort Hays, Carlile, Codell and Niobrara Formations in the unit.

D. Excluding the existing producing Debrine #21-44-8-61 Well (API No. 05-123-33958) on Section 21 of the Application Lands from the established 1,280-acre drilling and spacing unit for purposes of allocation of production proceeds.

E. Providing that the treated interval of each proposed horizontal well shall be no closer than ~~600~~ **300** feet from the boundaries of the proposed unit (regardless of lease lines within the unit), unless an exception is granted by the Director, and authorizing up to three (3) new well pads within the unit, or adjacent thereto, unless an exception is granted by the Director.

F. Finding that the approximate 1,280-acre drilling and spacing unit **and 300' reduced setbacks** for the development of oil, gas, and associated hydrocarbons from the Fort Hays, Carlile, Codell and Niobrara Formations underlying the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Fort Hays, Carlile, Codell and Niobrara Formations in Sections 16 and 21, Township 8 North, Range 61 West, 6th P.M.

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

DATED **September 5, 2018**.

Respectfully submitted:

MALLARD EXPLORATION, LLC

By: 

Jamie L. Jost
Kelsey Wasylenky
Jost Energy Law, P.C.
Attorneys for Applicant
1401 17th Street, Suite 370
Denver, Colorado 80202
(720) 446-5620

Applicant's Address:
Mallard Exploration, LLC
ATTN: Jordan Mattson
1400 16th Street, Suite 300
Denver, CO 80202

VERIFICATION

STATE OF COLORADO

)

) SS.

CITY AND COUNTY OF DENVER

)

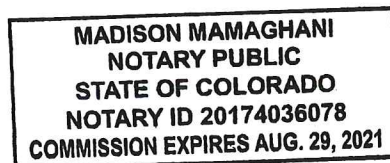
Jordan Mattson of lawful age, being first duly sworn upon oath, deposes and says that he is a Vice President – Land for Mallard Exploration, LLC and that he has read the foregoing Amended Application and that the matters therein contained are true to the best of his knowledge, information and belief.

OK Math

Jordan Mattson
Vice President - Land
Mallard Exploration

Subscribed and sworn to before me this 31st day of August, 2018.

Witness my hand and official seal.



[SEAL]

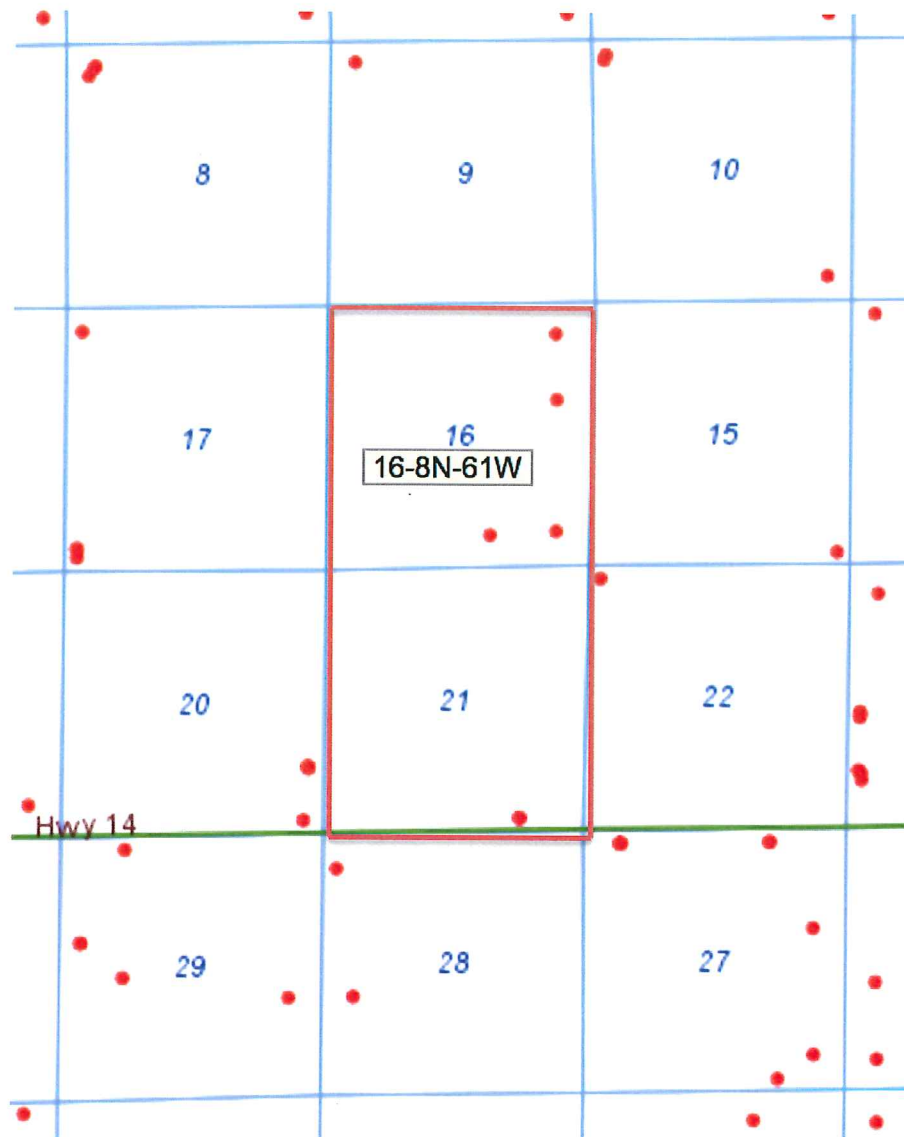
My commission expires: 8/29/21


Notary Public

Notary Public

Reference Map
Mallard Exploration.

Sections 16 and 21, Township 8 North, Range 61 West, 6th P.M.



IN THE MATTER OF THE **AMENDED**
APPLICATION OF MALLARD
EXPLORATION, LLC FOR AN ORDER TO
VACATE, IN PART, ORDER NO. 535-3,
VACATE ORDER NO. 535-239, **APPROVE**
300' REDUCED PRODUCTIVE INTERVAL
SETBACKS FROM THE UNIT BOUNDARY,
ESTABLISH AN APPROXIMATE 1,280-ACRE
DRILLING AND SPACING UNIT FOR
SECTIONS 16 AND 21, TOWNSHIP 8
NORTH, RANGE 61 WEST, 6TH P.M., AND
APPROVE UP TO SIXTEEN (16) NEW
HORIZONTAL WELLS IN THE 1,280-ACRE
UNIT FOR THE DEVELOPMENT AND
OPERATION OF THE FORT HAYS, CARLILE,
CODELL AND NIOBRARA FORMATIONS,
WELD COUNTY, COLORADO

TYPE: SPACING

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

Jamie L. Jost
Kelsey H. Wasylenky


Notary Public

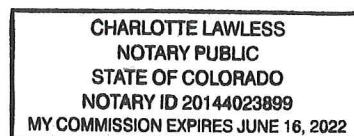


Exhibit A
Amended SP – T8N R61W Sec 16, 21

Noble Energy, Inc.
1625 Broadway Suite 2200
Denver, CO 80202

Noble Energy WyCo, LLC
1625 Broadway Suite 2200
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SKV, LLC
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James E. Hayes
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Denver, CO 80206

Rodeo Mineral Partners, LLC
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New York, NY 10019

Bison Oil & Gas II, LLC
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Oil India (USA) Inc.
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IOCL (USA) Inc.
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Houston, TX 77002

Verdad Resources, LLC
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Dallas, TX 75235

Whitman Interests, LLC
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Emma Del Frate
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Chicago, IL 60675

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Las Vegas, NV 89081

Denver Mineral & Royalty Company, LLC
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Denver, CO 80206

CoBank, FCB
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Oil India (USA) Inc.
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Haimo Oil & Gas, LLC
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IOCL (USA) Inc.
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Houston, TX 77002

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