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: (1) VACATE TWO 640-ACRE DRILLING AND SPACING UNITS FOUND IN ORDER NO. 535-3,) CAUSE NO. 535	
AND (2) ESTABLISH AN APPROXIMATE 1,280- ACRE DRILLING AND SPACING UNIT FOR) DOCKET NO. 18030012) TYPE: Species	:7
SECTIONS 4 & 5, TOWNSHIP 8 NORTH, RANGE 61 WEST, 6 TH P.M., TO APPROVE UP TO SIXTEEN) TYPE: Spacing))	
NEW HORIZONTAL WELLS IN SAID UNIT FOR PRODUCTION FROM THE FORT HAYS, CARLILE.))	
CODELL & NIOBRARA FORMATIONS, UNNAMED FIELD, WELD COUNTY, COLORADO))	

NOTICE OF WITHDRAWAL AND SUBSTITUTION OF COUNSEL

COMES NOW Mallard Exploration, LLC ("Mallard" or "Applicant"), by and through its undersigned attorneys, and hereby submits this Notice of Withdrawal and Substitution of Counsel, whereby the Shanor Group LLC law firm is substituted and replaces the Jost Energy Law, P.C., law firm as counsel for the Applicant. As of the date of this filing, Jost Energy Law, P.C., withdraws from its representation of the Applicant, and Shanor Group LLC enters its appearance on behalf of the Applicant going forward.

DATED this 8th day of March, 2018.

THE SHANOR GROUP LLC

Robert A. Willis

600 17th Street, Suite 2800

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rwillis@shanorgroup.com

JOST ENERGY LAW, P.C.

Jamie L. Jost

1401 17th Street, Suite 370

Denver, CO 80202 (720) 446-5620

jjost@jostenergylaw.com

CERTIFICATE OF SERVICE

I hereby certify that on the 8th day of March, 2018, a true and correct copy of the foregoing *Notice of Withdrawal and Substitution of Counsel* was delivered, via email, to the following:

James Parrot
Jill Fulcher
Jobediah Rittenhouse
Beatty & Wozniak, P.C.
216 Sixteenth Street, Suite 1100
Denver, CO 80202
(303) 407-4499
iparrot@bwenergylaw.com
jfulcher@bwenergylaw.com
jrittenhouse@bwenergylaw.com

An original and two copies of the foregoing *Notice of Withdrawal and Substitution* of *Counsel* were delivered, and the same was electronically filed, to the following on the foregoing date:

Margaret Humecki, Hearings Assistant Julie Prine, Hearings Manager Colorado Oil & Gas Conservation Commission 1120 Lincoln Street, Suite 801 Denver, CO 80203

Email: Margaret.Humecki@state.co.us
Julie.Prine@state.co.us

Ву: _____

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 VACATE TWO (2) 640-ACRE DRILLING AND SPACING UNITS IN ORDER NO. 535-3, AND ESTABLISH AN APPROXIMATE 1,280-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 4 AND 5, TOWNSHIP 8 NORTH, RANGE 61 WEST, 6TH P.M., TO APPROVE UP TO SIXTEEN (16) HORIZONTAL WELLS IN THE 1,280-ACRE UNIT IN THE FORT HAYS, CARLILE, CODELL AND NIOBRARA FORMATIONS UNNAMED FIELD, WELD COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. 180300127

TYPE: SPACING

APPLICATION

COMES NOW Mallard Exploration, LLC (Operator No. 10670) ("Applicant"), by and through its undersigned attorneys, and respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to: (1) vacate two (2) approximate 640-acre drilling and spacing units established by Order No. 535-3 for Sections 4 and 5, Township 8 North, Range 61 West, 6th P.M., and (2) establish an approximate 1,280-acre drilling and spacing unit for Sections 4 and 5, Township 8 North, Range 61 West, 6th P.M. and to approve up to sixteen (16) new wells in the proposed approximate 1,280-acre drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Fort Hays, Carlile, Codell and Niobrara Formations. 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 4: All Section 5: 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 the Application Lands.
- 4. 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 vacate the two (2) approximate 640-acre drilling and spacing units eatablished by Order No. 535-3, for Sections 7 and 8, Township 8 North, Range 61 West, 6th P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.
- 5. 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 for the efficient and economic development and operation of the Fort Hays, Carlile, Codell and Niobrara Formations.
- 6. There no existing horizontal or vertical wells within the Application Lands.
- 7. The above-proposed drilling and spacing unit 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.
- 8. Mallard maintains that there will be no more than four (4) new well pads in the unit, or adjacent thereto, unless an exception is granted by the Director.
- 9. The productive interval of each proposed horizontal well shall be no closer than 600 feet from the boundaries of the proposed approximate 1,280-acre drilling and spacing 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 productive 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.
- 10. 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 an east to west/west to east orientation) in the proposed approximate 1,280-acre drilling and spacing unit for the efficient and economic production of oil, gas and associated hydrocarbons from the Fort Hays, Carlile, Codell and Niobrara Formations underlying the Application Lands.

- 11. 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.
- 12. 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.
- 13. 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 2018, that notice be given as required by law, and that upon such hearing, the Commission enter its order to:

- A. Vacate the two (2) approximate 640-acre drilling and spacing units established by Order No. 535-3 for Sections 4 and 5, Township 8 North, Range 61 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation;
- B. Establish an approximate 1,280-acre drilling and spacing unit for Sections 4 and 5, Township 8 North, Range 61 West, 6th P.M., and approve up to sixteen (16) horizontal wells in the unit, for the production of oil, gas and associated hydrocarbons from the Fort Hays, Carlile, Codell and Niobrara Formations in the unit.
- C. Provide that the productive interval of each proposed horizontal well shall be no closer than 600 feet from the boundaries of the proposed unit (regardless of lease lines within the unit), and no closer than 150 feet from the productive interval of another well producing from the same supply within the unit, unless an exception is granted by the Director, and authorize up to four (4) new well pads within the unit, or adjacent thereto, unless an exception is granted by the Director.
- D. Finding that the approximate 1,280-acre drilling and spacing unit 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 4 and 5, Township 8 North, Range 61 West, 6th P.M.
- E. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED this January 4, 2018.

Respectfully submitted:

MALLARD EXPLORATION, LLC

Ву:

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
1821 Blake Street, Suite 2B
Denver, CO 80202

VERIFICATION

STATE OF COLORADO)
CITY AND COUNTY OF DENVER) ss.)
that he is a Vice President – Land for	eing first duly sworn upon oath, deposes and says Mallard Exploration, LLC and that he has read the tters therein contained are true to the best of his

Jordan Mattson Attorney-In-Fact Mallard Exploration

Subscribed and sworn to before me this 4th day of January, 2018.

Witness my hand and official seal.

[SEAL]

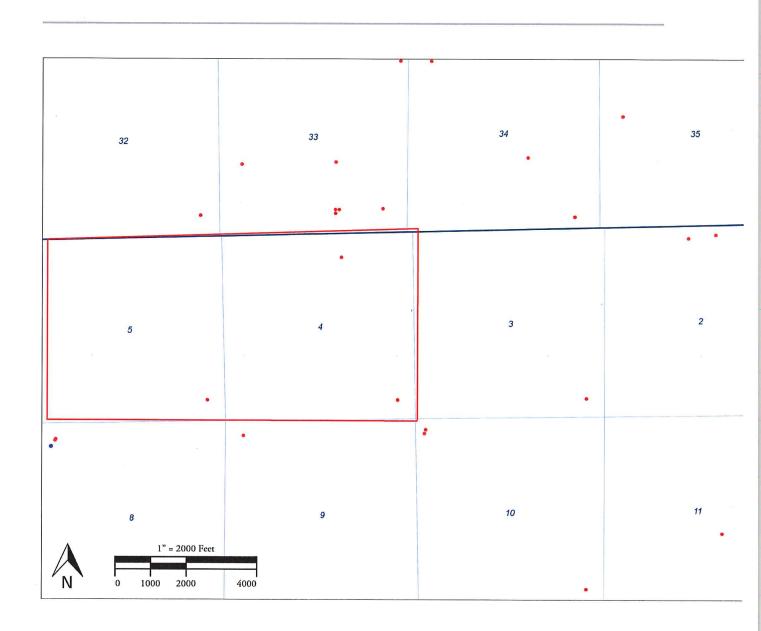
MADISON MAMAGHANI
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20174036078
COMMISSION EXPIRES AUG. 29, 2021

My commission expires: 00/29

Notary Public

Reference Map
Mallard Exploration.

Sections 4 and 5, Township 8 North, Range 61 West, 6th P.M.



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 VACATE TWO (2) 640-ACRE DRILLING AND SPACING UNITS IN ORDER NO. 535-3. AND **ESTABLISH** APPROXIMATE 1,280-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 4 AND 5, TOWNSHIP 8 NORTH, RANGE 61 WEST, 6TH P.M., TO APPROVE UP TO SIXTEEN (16) HORIZONTAL WELLS IN THE 1,280-ACRE UNIT IN THE FORT HAYS, CARLILE, CODELL AND NIOBRARA FORMATIONS UNNAMED FIELD, WELD COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. 180300__

TYPE: SPACING

AFFIDAVIT OF MAILING

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

The undersigned, of lawful age, and being first duly sworn upon my oath, state and declare that I am the attorney for Mallard Exploration, LLC, and that on or before the 10th day of January, I caused a copy of the Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to this Affidavit.

Jamie L. Jost

Kelsey H. Wasylenky

Fasine L. Fost

Subscribed and sworn to before me this 4th day of January, 2018.

Witness my hand and official seal.

[SEAL]

Notary Public

KERRY LEBLEU NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19934018734 MY COMMISSION EXPIRES JULY 24, 2021

EXHIBIT A Mallard - Silver Teal - SP

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

Noble Energy WyCo, LLC 1625 Broadway Suite 2200 Denver, CO 80202

Susan I. McClellan and James L. McClellan, 4700 Alexander St. Wichita, KS 67204

Lisa Hayes Victorson 5445 West Reno, # 1212 Las Vegas, NV 89119

Christopher A. Hayes 4440 Caliente, # C Las Vegas, NV 89119

Kathleen B. Hayes 3750 Arville, Apt. 309 Las Vegas, NV 89103

RLW Energy, LLC 3006 Spruce Acres P.O. Box 737 Ogallala, NE 69153

DPOC, LLC 1821 Blake Street Suite 2B Denver, CO 80202

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

Noble Energy WyCo, LLC 1625 Broadway Suite 2200 Denver, CO 80202

Hat Creek Royalty LTD P.O. Box 3240 Midland, TX 79702 Lisa Hayes Victorson 5445 West Reno, #1212 Las Vegas, NV 89119

Christopher A. Hayes 4440 Caliente, #C Las Vegas, NV 89119

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DPOC, LLC 1821 Blake St., Suite 2B Denver, CO 80202

SKV LLC PO Box 300687 Denver, CO 80218

Mallard Exploration 1821 Blake Street, Suite 2B Denver, CO 80202

Kent Kuster Colorado Department of Public Health & Environment 4300 Cherry Creek Drive South Denver, CO 80246-1530

Brandon Marette - Energy Liaison Colorado Parks and Wildlife Northeast Regional Office 6060 Broadway Denver, CO 80216

Troy Swain Weld County Department of Planning Services 1555 N. 17th Ave. Greeley, CO 80631