

**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 AMEND ORDER NO. 535-428 TO
ADD THE CODELL, FORT HAYS AND
CARLILE FORMATIONS, AND TO
AUTHORIZE UP TO SIXTEEN (16) NEW
HORIZONTAL WELLS IN THE 640-ACRE
UNIT FOR THE DEVELOPMENT AND
OPERATION OF THE FORT HAYS, CARLILE,
CODELL AND NIOBRARA FORMATIONS,
WELD COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. 180300_____

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 amend Order No. 535-428 to add the Codell, Carlile and Fort Hays Formations, and to authorize up to sixteen (16) new wells in the approximate 640-acre drilling and spacing unit established for the Application Lands, for the production 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, and owns leasehold interests and/or has the right to drill and produce on the following lands (hereafter "Application Lands"):

Township 7 North, Range 59 West, 6th P.M.
Section 6: All

640 acres, more or less, Weld County, Colorado.

A reference map of the Application Lands is attached hereto.

3. On October 28, 2013, the Commission entered Order No. 535-428 which, among other things, established an approximate 640-acre drilling and spacing unit for the Application Lands and approved up to four horizontal wells within

the unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the productive interval of the wellbore to be located no closer than 600 feet from the unit boundaries, and no closer than 200 feet from the productive interval of any other wellbore located in the unit, without exception being granted by the Director.

4. The Commission records reflect that no wells are currently producing from the Niobrara, Codell, Fort Hays or Carlile Formations on the Application Lands, and that one well is currently producing from the D-Sand Formation on the Application Lands, the Wickstrom #6-4 (API No. 05-123-38576), operated by Foundation Energy Management LLC.

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 amend Order No. 535-428 to add the Codell, Fort Hays and Carlile Formations, and to authorize up to sixteen (16) new horizontal wells in the unit for the efficient and economic development and operation of the Fort Hays, Carlile, Codell and Niobrara Formations.

6. The amendment of Order No. 535-428 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.

7. Applicant 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.

8. Applicant further requestst that Order No. 535-428 be amended to provide that the productive interval of each proposed horizontal well shall be no closer than 600 feet from the boundaries of the 640-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 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.

9. Mallard is requesting to drill and complete up to sixteen (16) new horizontal wells in the approximate 640-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.

10. 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.

11. 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.

12. 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 19, 2018, that notice be given as required by law, and that upon such hearing, the Commission enter its order to:

A. Amend Order No. 535-428 to add the Codell, Carlile and Fort Hays Formations.

B. Amend Order No. 535-428 to authorize up to sixteen (16) new 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. Amend Order No. 535-428 to 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 any other wellbore within the unit, unless an exception is granted by the Director, and authorizing up to four (4) new well pads within the unit, or adjacent thereto, unless an exception is granted by the Director.


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

DATED January 18, 2018.

Respectfully submitted:

MALLARD EXPLORATION, LLC

By:



Jamie L. Jost
Kelsey H. 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)
) ss.
CITY AND COUNTY OF DENVER)

Jamison McIlvain, of lawful age, being first duly sworn upon oath, deposes and says that he is an Executive Vice President of Business Development for Mallard Exploration, LLC and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

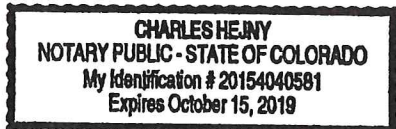


Jamison McIlvain
Mallard Exploration


Subscribed and sworn to before me this 18th day of January, 2018.

Witness my hand and official seal.

[SEAL]



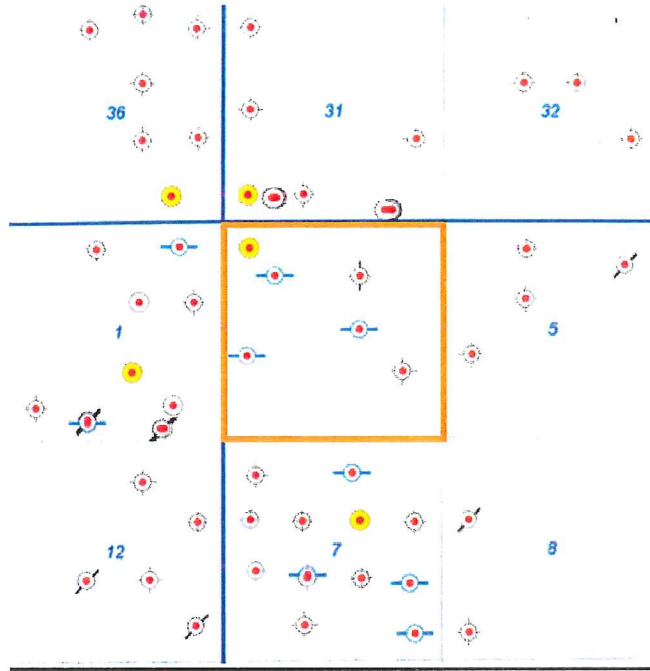
My commission expires: October 15, 2019



Notary Public

Reference Map
Mallard Exploration.

Section 6, Township 7 North, Range 59 West, 6th P.M.



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COLORADO

TYPE: SPACING

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

Jamie L. Foster

[SEAL]

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

EXHIBIT A
MALLARD - Wood Duck Unit - SP - T7N-R59W Sec 6

TAK Mountain, LLC
1600 Broadway, Suite 1525
Denver, CO 80202

Mile Hi Oil & Gas, Inc.
PO Box 27296
Denver, CO 80227

Foundation Energy Fund III-A, L.P.
5057 Keller Springs Rd., Suite 650
Addison, TX 75001

Foundation Energy Fund III-B Holding, LLC
5057 Keller Springs Rd., Suite 650
Addison, TX 75001

Foundation Energy Fund IV-A, L.P.
5057 Keller Springs Rd., Suite 650
Addison, TX 75001

Foundation Energy Fund IV-B Holding, LLC
5057 Keller Springs Rd., Suite 650
Addison, TX 75001

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

DC Minerals, LLC
22791 Highway 39
Weldona, CO 80653

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