

**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 AN APPROXIMATE 640-ACRE
DRILLING AND SPACING UNIT FOR SECTION 32,
TOWNSHIP 2 NORTH, RANGE 63 WEST, 6TH P.M.,
AND TO APPROVE UP TO SIXTEEN (16) NEW
HORIZONTAL WELLS IN THE APPROXIMATE
640-ACRE UNIT FOR THE PRODUCTION FROM
THE CODELL AND NIOBRARA FORMATIONS,
WATTENBERG FIELD, WELD COUNTY,
COLORADO

CAUSE NO. 407

DOCKET NO. 180600 _____

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 establish an approximate 640-acre drilling and spacing unit for Section 32, Township 2 North, Range 63 West, 6th P.M., and to approve up to sixteen (16) new wells in the proposed approximate 640-acre drilling and spacing unit, for the production of oil, gas, and associated hydrocarbons from the 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), C.R.S. 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 2 North, Range 63 West, 6th P.M.
Section 32: All

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

A reference map of the Application Lands is attached hereto.

3. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply. Section 32, Township 2 North, Range 63 West, 6th P.M. is subject to this Rule for the Niobrara and Codell Formations.

4. The Commission records reflect that there are no producing horizontal wells in the Application Lands.

5. To promote efficient drainage within the Codell and Niobrara Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish an approximate 640-acre drilling and spacing unit for Application Lands, and approve up to sixteen (16) horizontal wells within the unit, for the efficient and economic development and operation of the Codell and Niobrara Formations.

6. The above-proposed drilling and spacing unit will allow efficient drainage of the 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. Mallard maintains that there will be no more than two (2) new well pads in the unit, or adjacent thereto, unless an exception is granted by the Director.

8. The productive interval of each proposed horizontal well shall be no closer than 460 feet from the boundaries of the proposed 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 proposed approximate 640-acre drilling and spacing unit for the efficient and economic development of oil, gas and associated hydrocarbons from the 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 June 11, 2018, that notice be given as required by law, and that upon such hearing, the Commission enter its order to:

A. Establish an approximate 640-acre drilling and spacing unit for the Section 32, Township 2 North, Range 63 West, 6th P.M., and approve up to sixteen (16) new horizontal wells in the unit, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations in the unit.

B. Providing that the productive interval of each proposed horizontal well shall be no closer than 460 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 two (2) new well pads within the unit, or adjacent thereto, unless an exception is granted by the Director.

C. Finding that the approximate 640-acre drilling and spacing unit for the development of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations underlying the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Codell and Niobrara Formations in Section 32, Township 2 North, Range 63 West, 6th P.M.,

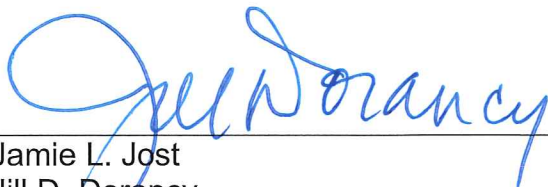
D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED April 12, 2018.

Respectfully submitted:

MALLARD EXPLORATION, LLC

By:



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Jill D. Dorancy
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VERIFICATION

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

Jordan J. Mattson, of lawful age, being first duly sworn upon oath, deposes and says that he is a Vice President of Land 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.

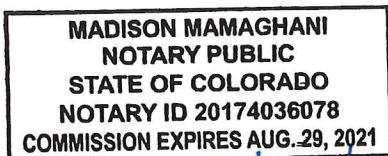


Jordan J. Mattson
Mallard Exploration

Subscribed and sworn to before me this 12th day of April, 2018.

Witness my hand and official seal.

[SEAL]



My commission expires: 8/29/21



Notary Public

Reference Map
Mallard Exploration.

Section 28, Township 2 North, Range 63 West, 6th P.M.,

