

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 MODIFYING
ORDER NO. 535-3 TO ESTABLISH AN APPROXIMATE
640-ACRE DRILLING AND SPACING UNIT FOR
SECTION 25, TOWNSHIP 8 NORTH, RANGE 62 WEST,
6TH P.M., AND AUTHORIZE 16 HORIZONTAL WELLS
WITHIN SAID UNIT, FOR PRODUCTION FROM THE
CODELL, FORT HAYS, CARLILE AND NIOBRARA
FORMATIONS, UNNAMED FIELD, WELD COUNTY,
COLORADO

CAUSE NO. 535

DOCKET NO. 180700_____

TYPE: Spacing

APPLICATION

COMES NOW Mallard Exploration, LLC (“Mallard” or “Applicant”), Operator #10670, by and through its undersigned attorneys, and respectfully submits this application to the Oil and Gas Conservation Commission of the State of Colorado (“COGCC” or “Commission”) for an order: (1) amending Order No. 535-3 to establish an approximate 640-acre drilling and spacing unit for Section 25, Township 8 North, Range 62 West, 6th P.M., and authorize the drilling of 16 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations, and (2) maintaining allocation of proceeds for any existing wells located within the proposed unit and producing from the Codell and/or Niobrara Formations. In support of this verified application (“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 8 North, Range 62 West, 6th P.M.
Section 25: All

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

Exhibit A, which depicts the Application Lands, is attached hereto.

3. COGCC Rule 318.a. provides that for any oil or gas well drilled to a common source of supply and drilled to a producing depth at least 2,500 feet below ground surface shall be located not less than 600 feet from any lease line and not less than 1,200 feet from any other producing or drilling oil or gas well when drilling to the same source of supply, unless authorized by Commission order upon hearing. The Application Lands are subject to this Order for the Codell, Fort Hays and Carlile Formations.

4. On February 22, 2011, the Commission issued Order No. 535-3 which, among other things, established an approximate 640-acre drilling and spacing unit for the Application Lands, and approved one horizontal well within each unit, for production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the bottomhole location of any permitted not less than 600 feet from the boundaries of the unit.

Establishment of an approximate 640-acre drilling and spacing unit for the Application Lands, for production from the Codell, Fort Hays, Carlile, and Niobrara Formations

5. Applicant herein seeks to amend Order No. 535-3 to establish an approximate 640-acre drilling and spacing unit for the Application Lands, and the authority to drill 16 horizontal wells within the proposed unit, for production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations. The establishment of the drilling and spacing unit is not smaller than the area which can be efficiently and economically drained by the drilling of the requested horizontal wells to be drilled within said unit.

6. Applicant further states that the productive interval of any permitted well under an approved Application shall be located not less 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.

7. Further, Applicant herein requests any permitted wells drilled under this Application should be located on no more than two multi-well pads within the drilling and spacing unit, or on adjacent lands with surface owner consent, without exception being granted by the Director.

Maintaining allocation of proceeds for existing wells within the Application Lands and producing from the Codell and/or Niobrara Formations

8. Highpoint Operating Co., Operator #10071, presently operates the Cass Farms 11-25H well (API #05-123-32424), a horizontal well with its bottomhole located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 25, Township 8 North, Range 62 West, 6th P.M., and allocates production on a 320-acre leasehold basis designating the W $\frac{1}{2}$ of said Section 25, for production from the Niobrara Formation.

9. Application herein requests the Cass Farms 11-25H well should be excluded from the approximate 640-acre drilling and spacing unit proposed herein for the Application Lands, and that the allocation of proceeds be maintained.

* * *

10. 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 COGCC rules.

11. Applicant requests that relief granted as result of this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by the oral order of the Commission.

12. That the names and addresses of interested parties (owners within the Application Lands) according to the information and belief of the Applicant are set forth in Exhibit B. The Applicant shall submit a certificate of service for the Application within seven days as required by Rule 503.e. accompanied by Exhibit B.

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

A. Amending Order No. 535-3 to establish an approximate 640-acre drilling and spacing unit for the Application Lands, and authorizing the drilling of 16 horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations, with the treated interval of any horizontal well permitted under this Application located not less than 600 feet from unit boundaries and not less than 150 feet from any other well producing or drilling from the Codell, Fort Hays, Carlile, and/or Niobrara Formations, without exception being granted by the Director.

B. Limiting the drilling of any permitted wells under this Application to no more than two multi-well pads within the drilling and spacing unit, or on adjacent lands with surface owner consent, without exception being granted by the Director.

C. Maintaining allocation of proceeds for the Cass Farms 11-25H well (described herein) located within the proposed unit and producing from the Niobrara Formation and excluding this well from the approximate 640-acre drilling and spacing unit proposed herein for the Application Lands.

D. For such other findings and orders as the Commission may deem proper or advisable given the premises.

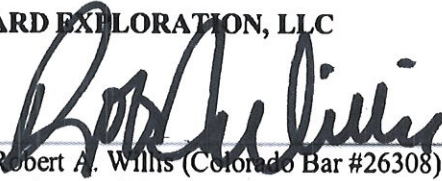
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DATED May 30, 2018.

Respectfully submitted:

MALLARD EXPLORATION, LLC

By:



Robert A. Willis (Colorado Bar #26308)
Poulson, Odell & Peterson, LLC
1775 Sherman Street, Suite 1400
Denver, CO 80203
(303) 861-4400 (main)
(303) 264-4418 (direct)
(303) 995-5120 (cell)

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, VP of Land for Mallard Exploration, LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

MALLARD EXPLORATION, LLC


Jordan Mattson

Subscribed and sworn to before me this 30th day of May, 2018, by Jordan Mattson, VP of Land for Mallard Exploration, LLC.

Witness my hand and official seal.

My commission expires: 8/29/21

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


Notary Public



**Application
Lands**

Township 8 North, Range 62 West, 6th P.M.

Exhibit A
Application Map

