

**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 POOL ALL INTERESTS IN AN  
APPROXIMATE 640-ACRE DRILLING AND  
SPACING UNIT FOR SECTION 35, TOWNSHIP  
8 NORTH, RANGE 60 WEST, 6<sup>TH</sup> P.M., FOR  
THE DEVELOPMENT AND OPERATION OF  
THE NIOBRARA, FORT HAYS, CODELL AND  
CARLILE FORMATIONS, UNNAMED FIELD,  
WELD COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. 180900 \_\_\_\_\_

TYPE: POOLING

**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 pool all interests within an approximate 640-acre drilling and spacing unit for Section 35, Township 8 North, Range 60 West, 6<sup>th</sup> P.M., for the development and operation of the Niobrara, Fort Hays, Codell and Carlile 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 has the authority to operate the leasehold in the Application Lands on behalf of DPOC, LLC, the leasehold owner in the Application Lands. DPOC, LLC is a wholly owned subsidiary of Mallard Exploration, LLC. 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 60 West, 6<sup>th</sup> P.M.  
Section 35: All

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

A reference map of the Application Lands is attached hereto.

3. On September 31, 2013, the Commission entered Order 535-91, which among other things, established an approximate 640-acre drilling and spacing unit in Section 35, Township 8 North, Range 60 West, 6<sup>th</sup>P.M., and approved two horizontal

wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

4. On July 9, 2012, the Commission Order No. 535-187 which pooled all interests in an approximate 640-acre drilling and spacing unit, for Section 35, Township 8 North, Range 60 West, 6<sup>th</sup> P.M., to accommodate the Hemberger 3-26-34-8-60 Well, for the development and operation of the Niobrara Formation.

5. On January 26, 2015, the Commission entered Order No. 535-632 which approved up to a total of 16 horizontal wells the approximate 640-acre drilling and spacing unit in Section 35, Township 8 North, Range 60 West, 6<sup>th</sup> P.M., for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

6. On November 15, 2012, the Commission entered Order No. 535-219 which, among other things, approved up to four horizontal wells within each of three approximate 640-acre drilling and spacing units, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the horizontal wellbore to be no closer than 600 feet from the unit boundaries, and no closer than 600 feet from the treated interval of any other wellbore located in the unit, without exception being granted by the Director. Sections 25, 26 and 35, Township 8 North, Range 60 West, 6<sup>th</sup> P.M. are subject to this Order for the Niobrara Formation.

7. On March 25, 2013, the Commission entered Order No. 535-294 which approved up to a total of six horizontal wells within each of three approximate 640-acre drilling and spacing units established for Sections 25, 26 and 35, Township 8 North, Range 60 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

8. On January 26, 2015, the Commission entered Order No. 535-632 which approved an additional 10 horizontal wells, for a total of up to 16 horizontal wells within an approximate 640-acre drilling and spacing unit established for Section 35, Township 8 North, Range 60 West, 6<sup>th</sup> P.M., for the development and operation of the Niobrara Formation.

9. On February 12, 2018, the Commission entered Order No. 535-942 which, among other things, amended Order 535-91, insofar as it applies to the 640-acre drilling and spacing unit previously established for Section 35, Township 8 North, Range 60 West, to include the Niobrara, Fort Hays, Codell, and Carlile Formations and approve an additional four horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations.

10. Applicant, pursuant to Commission Rule 530 and/or the provisions of § 34-60-116 (6) and (7), C.R.S., hereby requests an order to pool all interests, including but not limited to, any non-consenting interests and any party failing to fulfill its election, in the Application Lands in the Niobrara, Fort Hays, Codell and Carlile Formations underlying the drilling and spacing unit

11. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in § 34-60-116(7)(b), C.R.S. are first incurred for the drilling of the first horizontal well within the drilling and spacing unit.

12. Applicant certifies that copies of this Application will be served on all persons owning a recorded and known interest in the mineral estate of the tracts to be pooled within seven days of the date hereof, as required by Rule 503.e., and that at least 35 days prior to the hearing on this matter, each such recorded and known interest owner not already leased or voluntarily pooled will be offered the opportunity to lease and/or participate and will be provided with the information required by Rule 530 as applicable.

13. In order to prevent waste and to protect correlative rights, all interests in the approximate 640-acre drilling and spacing unit should be pooled for the orderly development and operation of the Niobrara, Fort Hays, Codell and Carlile Formations, including any non-consenting interests therein.

WHEREFORE, Applicant requests that this matter be set for hearing on September 17, 2018, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

A. Pooling all interests, including but not limited to any non-consenting interests and any party failing to fulfill its election, in the following 640-acre drilling and spacing unit established for the development and operation of the Niobrara, Fort Hays, Codell and Carlile Formations;

Township 8 North, Range 60 West, 6<sup>th</sup> P.M.  
Section 35: All

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

B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that any of the costs specified in § 34-60-116(7)(b), C.R.S. are first incurred for the drilling of the well within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations on the Application Lands.

C. Providing that any party who fails to make a timely election to lease or to participate is pooled by operation of statute, pursuant to § 34-60-116(6) and (7), C.R.S., and made subject to the cost recovery provisions thereof with respect to the Well drilled to develop the Niobrara, Fort Hays, Codell and Carlile Formations in the approximate 640-acre drilling and spacing unit comprising the Application Lands.

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

DATED June 29, 2018.

Respectfully submitted:

**MALLARD EXPLORATION, LLC**

By:

A handwritten signature in blue ink, appearing to read "Jill D. Dorancy", is written over a horizontal line.

Jamie L. Jost  
Jill D. Dorancy  
Jost Energy Law, P.C.  
Attorneys for Applicant  
1401 17<sup>th</sup> Street, Suite 370  
Denver, Colorado 80202  
(720) 446-5620

Applicant's Address:  
Mallard Exploration, LLC  
ATTN: Michael Sobecki  
1400 16<sup>th</sup> 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 Application and that the matters therein contained are true to the best of his knowledge, information and belief.

  
\_\_\_\_\_  
Jordan Mattson, Vice President - Land  
Mallard Exploration, LLC

Subscribed and sworn to before me this 29<sup>th</sup> day of June, 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: 8/29/21

  
\_\_\_\_\_  
Notary Public









Verity Land Company #3, LLC  
P.O. Box 82219  
Oklahoma City, OK 73148

Yggdrasil Minerals, LLC  
2055 Summit Dr.  
Sheridan, WY 82801

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