

**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
1280-ACRE DRILLING AND SPACING UNIT
FOR SECTIONS 4 AND 5, TOWNSHIP 7
NORTH, RANGE 61 WEST, 6TH P.M., AND TO
APPROVE UP TO SIXTEEN (16) NEW
HORIZONTAL WELLS IN THE 1280-ACRE
UNIT FOR THE DEVELOPMENT AND
OPERATION OF THE NIOBRARA AND
CODELL FORMATIONS, WATTENBERG
FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 180900__

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 1280-acre drilling and spacing unit for Sections 4 and 5, Township 7 North, Range 61 West, 6th P.M., and to approve up to sixteen (16) new wells in the proposed approximate 1280-acre drilling and spacing unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara and Codell 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, owns leasehold interests and/or has the right to drill and produce on the following lands (hereafter "Application Lands"):

Township 7 North, Range 61 West, 6th P.M.

Section 4: All

Section 5: All

1280 acres, more or less, Weld County, Colorado.

A reference map of the Application Lands is attached hereto.

3. On April 27, 1998, the Commission adopted Rule 318A, the Greater Wattenberg Area, Special Well Location, Spacing and Unit Designation Rule. Sections 4 and 5, Township 7 North, Range 61 West, 6th P.M. is subject to Rule 318A for the Niobrara and Codell Formations.

4. To promote efficient drainage within the Niobrara and Codell Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish an approximate 1280-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 Niobrara and Codell Formations.

5. The above-proposed drilling and spacing unit will allow efficient drainage of the Niobrara and Codell 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.

6. 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.

7. The productive interval of each proposed horizontal well shall be no closer than 460 feet from the boundaries of the proposed 1280-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.

8. The Commission records demonstrate that there are no producing horizontal wells within the unit. However, there are sixteen pending APDs within the proposed unit filed by Applicant:

<u>Well Name</u>	<u>Document No.</u>	<u>Date Rec'd by COGCC</u>
Muscovy 4-5-8HN	401688913	June 29, 2018
Muscovy 4-5-2HC	401687677	June 29, 2018
Muscovy 4-5-3HN	401687796	June 29, 2018
Muscovy 4-5-4HN	401687845	June 29, 2018
Muscovy 4-5-5HN	401688686	June 29, 2018
Muscovy 4-5-6HC	401688821	June 29, 2018
Muscovy 4-5-7HN	401688875	June 29, 2018
Muscovy 4-5-9HN	401689049	June 29, 2018
Muscovy 4-5-10HN	401689215	June 29, 2018
Muscovy 4-5-11HC	401689282	June 29, 2018
Muscovy 4-5-12HN	401689298	June 29, 2018
Muscovy 4-5-13HN	401689409	June 29, 2018

Muscovy 4-5-14HN	401689410	June 29, 2018
Muscovy 4-5-15HC	401689411	June 29, 2018
Muscovy 4-5-16HN	401690098	June 29, 2018
Muscovy 4-5-1HN	401687607	June 29, 2018

9. 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/west or west/east orientation) in the proposed approximate 1280-acre drilling and spacing unit for the efficient and economic development of oil, gas and associated hydrocarbons from the Niobrara and Codell 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 on September 17-18, 2018, that notice be given as required by law, and that upon such hearing, the Commission enter its order to:

A. Establish an approximate 1280-acre drilling and spacing unit for Sections 4 and 5, Township 7 North, Range 61 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 Niobrara and Codell 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 1280-acre drilling and spacing unit for the development of oil, gas, and associated hydrocarbons from the Niobrara and Codell, Formations underlying the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Niobrara and Codell Formations in Sections 4 and 5, Township 7 North, Range 61 West, 6th P.M.,

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

DATED July 19, 2018.

Respectfully submitted:

MALLARD EXPLORATION, LLC

By: _____



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ATTN: Jordan Mattson
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VERIFICATION

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

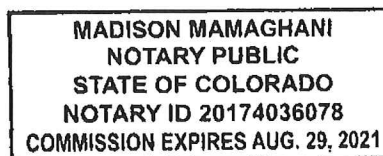
Jordan J. Mattson, of lawful age, being first duly sworn upon oath, deposes and says that he is a Vice President - Land for Mallard Exploration, LLC and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.


Jordan J. Mallon
Mallard Exploration, LLC

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

Witness my hand and official seal.

[SEAL]



My commission expires: 8/29/21


Notary Public

Reference Map
Mallard Exploration.

Sections 4 and 5, Township 7 North, Range 61 West, 6th P.M.,

