

**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
320-ACRE DRILLING AND SPACING UNIT
FOR THE N½ OF SECTION 28, TOWNSHIP 8
NORTH, RANGE 61 WEST, 6TH P.M., AND TO
APPROVE UP TO EIGHT (8) NEW
HORIZONTAL WELLS IN THE 320-ACRE UNIT
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: 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 320-acre drilling and spacing unit for the N½ of Section 28, Township 8 North, Range 61 West, 6th P.M., and to approve up to eight (8) new wells in the proposed approximate 320-acre drilling and spacing unit, for the production of oil, gas, and associated hydrocarbons from 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 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 61 West, 6th P.M.
Section 28: N½

320 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. The N½ of Section 28, Township 8 North, Range 61 West, 6th P.M. is subject to this Rule for the Niobrara, Fort Hays, Codell, and Carlile Formations.

4. On February 22, 2011, the Commission entered Order No. 535-3 which established 160 approximate 640-acre drilling and spacing units, and approved one horizontal well in each unit for the Niobrara Formation. Section 28, Township 8 North, Range 61 West, 6th P.M. was subject to this Order for the Niobrara Formation.

5. On July 24, 2014, the Commission entered Order No. 535-509 which, among other things, vacated an approximate 640-acre drilling and spacing unit established by Order No. 535-3 for Section 28, Township 8 North, Range 61 West, 6th P.M. and established an approximate 960-acre drilling and spacing unit for the S½ of Section 28 and Section 33, Township 8 North, Range 61 West, 6th P.M., and approve up to a total of 16 horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. The N½ of Section 28, Township 8 North, Range 61 West, 6th P.M. was no longer subject to a spacing order and reverted to Rule 318.a.

6. To promote efficient drainage within the Niobrara, Fort Hays, Codell, and Carlile Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish an approximate 320-acre drilling and spacing unit for Application Lands, and approve up to eight (8) horizontal wells within the unit, for the efficient and economic development and operation of the Niobrara, Fort Hays, Codell, and Carlile Formations.

7. The above-proposed drilling and spacing unit will allow efficient drainage of the Niobrara, Fort Hays, Codell, and Carlile 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.

8. 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.

9. The productive interval of each proposed horizontal well shall be no closer than 600 feet from the boundaries of the proposed 320-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.

10. Mallard is requesting to drill and complete up to eight (8) 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 320-acre drilling and spacing unit for the efficient and economic development of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations underlying the Application Lands.

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

<u>Well Name</u>	<u>Document No.</u>	<u>Date Rec'd by COGCC</u>
Ancona 28-7HN	401669137	June 11, 2018
Ancona 28-6HN	401669136	June 11, 2018
Ancona 28-5HN	401669135	June 11, 2018
Ancona 28-4HN	401669134	June 11, 2018
Ancona 28-3HN	401669133	June 11, 2018
Ancona 28-2HN	401669132	June 11, 2018
Ancona 28-1HN	401669131	June 11, 2018

12. 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.

13. 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.

14. 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 320-acre drilling and spacing unit for the N½ of Section 28, Township 8 North, Range 61 West, 6th P.M., and approve up to eight (8) new horizontal wells in the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Fort Hays, Codell and Carlile Formations in the unit.

B. Providing 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 two (2) new well pads within the unit, or adjacent thereto, unless an exception is granted by the Director.

C. Finding that the approximate 320-acre drilling and spacing unit for the development of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell, and Carlile Formations underlying the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Niobrara, Fort Hays, Codell, and Carlile Formations in the N½ of Section 28, Township 8 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 18, 2018.

Respectfully submitted:

MALLARD EXPLORATION, LLC

By: 

Jamie L. Jost
Jill D. Dorancy
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)

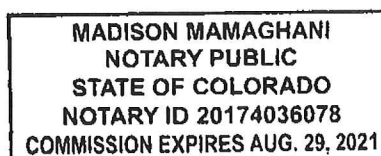
Jordan J. Mattson, of lawful age, being first duly sworn upon oath, deposes and says that he is a Vice President - Land for Mallard Exploration, LLC and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.


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.

N $\frac{1}{2}$ of Sections 28, Township 8 North, Range 61 West, 6th P.M.,



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FIELD, WELD COUNTY, COLORADO

TYPE: SPACING

CHARLOTTE LAWLESS
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20144023899
MY COMMISSION EXPIRES JUNE 16, 2022

Exhibit A
Mallard SP – 8N-61W-Sec 28 N1/2

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

Roger L. Peterson
21215 Willow Weed Way
Canyon Country, CA 91351

Noble Energy Inc.
1625 Broadway, Suite 2200
Denver, CO 80202

J. Evelyn Walker
7481 Lee Highway, #605
Falls Church, VA 22042

Noble Energy WYCO, LLC
1625 Broadway, Suite 2200
Denver, CO 80202

Cobalt Oil & Gas, LLC
P.O. Box 8806
Denver, CO 80201

Bonanza Creek Energy Operating
Company, LLC
410 17th Street, Suite 1400
Denver, CO 80202

Curtis Parsons
1604 E. Elbe Street
Portales, NM 88130

Verdad Resources, LLC
5950 Cedar Springs Road, Suite 200
Dallas, TX 75235

Silverado Oil & Gas, LLP
P.O. Box 52308
Tulsa, OK 74152

Oil India (USA) Inc.
C/o Thompson Knight, LLP
333 Clay Street, Suite 3300
Houston, TX 77002

Helen Whitehill Kenyon Revocable Trust,
JPMorgan Chase Bank, NA., Trustee
P.O. Box 2605, TX1-1318
Fort Worth, TX 76113

Haimo Oil & Gas, LLC
2901 Wilcrest Drive, Suite 285
Houston, TX 77004

Julian W. Funke Irrevocable Trust,
JPMorgan Chase Bank, NA., Trustee
P.O. Box 2605, TX1-1318
Fort Worth, TX 76113

IOCL (USA) Inc.
C/o Thompson Knight, LLP
333 Clay Street, Suite 3300
Houston, TX 77002

Kent Kuster
Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

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Denver, CO 80202

Brandon Marette
Energy Liaison
Colorado Parks and Wildlife
Northeast Regional Office
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Denver, CO 80216

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Denver, CO 80202


Russell D. Peterson
717 Cumberland St.
Harriman, TN 37748

Troy Swain
Weld County
Department of Planning Services
1555 North 17th Avenue
Greeley, CO 80631

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TYPE: SPACING

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



Jamie L. Jost
Jill D. Perency

Witness my hand and official seal.


Notary Public

CHARLOTTE LAWLESS
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20144023899
MY COMMISSION EXPIRES JUNE 16, 2022

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