

**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 APPROVE 300' REDUCED SETBACKS ON THE BOUNDARIES OF AN APPROXIMATE 640-ACRE DRILLING AND SPACING UNIT ESTABLISHED FOR SECTION 32, TOWNSHIP 9 NORTH, RANGE 60 WEST, 6TH P.M., FOR THE NIOBRARA, FORT HAYS, CODELL AND CARLILE FORMATIONS, UNNAMED FIELD, WELD COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. 181200_____

TYPE: EXCEPTION LOCATION

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 approve 300-foot reduced setbacks on the unit boundaries of an approximate 640-acre drilling and spacing unit established for Section 32, Township 9 North, Range 60 West, 6th P.M. for the efficient and economic production 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 organized and 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 as defined by the Colorado Oil and Gas Conservation Act and Commission Rules and owns leasehold interests or holds the right to operate on the following lands (hereafter "Application Lands"):

Township 9 North, Range 60 West, 6th P.M.
Section 32: All

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

A reference map of the Application Lands is attached hereto.

3. On February 22, 2011, the Commission entered Order No. 535-3 which, among other things, established an approximate 640-acre drilling and spacing unit for Section 32, Township 9 North, Range 60 West, 6th P.M., and allowed one horizontal well to be drilled from the unit for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. Order No. 535-3 also established 600' setbacks from the

boundaries of the drilling and spacing unit without an exception being granted by the Director.

4. On September 17, 2018, the Commission entered Order No. 535-1076 which amended Order No. 535-3 to establish an approximate 640-acre drilling and spacing unit for the Application Lands, and authorize the drilling of an additional 15 horizontal wells within said unit, for a total of 16 horizontal wells, for production of oil, gas and associated hydrocarbons from the Codell, Fort Hays, Carlile, and Niobrara Formations, with the productive interval of any permitted horizontal well located 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.

5. 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 approve 300-foot reduced setbacks for the boundaries of the approximate 640-acre drilling and spacing unit for the production, development and operation of oil, gas and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations.

6. The above-proposed reduced setbacks 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.

7. The undersigned certifies that copies of this Application will be served on each interested party within seven (7) days of the filing hereof, as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing on December 17-18, 2018, that notice be given as required by law, and that upon such hearing this Commission enter its order to:

A. Approve reduced productive interval setbacks of not less than 300' from the boundaries of an approximate 640-acre drilling and spacing unit established for Section 32, Township 9 North, Range 60 West, 6th P.M.

B. Find that the reduced setbacks on the unit boundaries of the approximate 640-acre drilling and spacing unit for the development of the Niobrara, Fort Hays, Codell and Carlile Formations on 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 on the Application Lands.

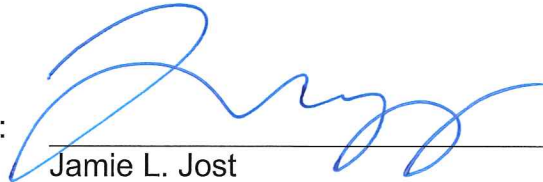
C. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED October 15th, 2018.

Respectfully submitted:

MALLARD EXPLORATION, LLC

By: _____



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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.

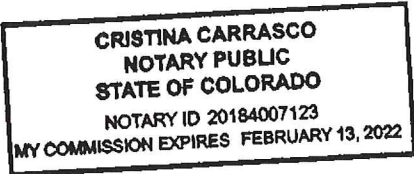


Jordan Mattson MS
Vice President - Land
Mallard Exploration, LLC


Subscribed and sworn to before me this 12TH day of October, 2018.

Witness my hand and official seal.

[SEAL]



My commission expires: 2/13/22



Notary Public

Reference Map

Section 32, Township 9 North, Range 60 West, 6th P.M.

