

**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: 1) VACATE A 1280-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 26 AND 35, TOWNSHIP 8 NORTH, RANGE 62 WEST, 6<sup>TH</sup> P.M.; 2) VACATE ORDER NOS. 535- 136, 535-490 AND 535-503; AND 3) ESTABLISH AN APPROXIMATE 960-ACRE DRILLING AND SPACING UNIT FOR SECTION 26 AND THE N½ OF SECTION 35, TOWNSHIP 8 NORTH, RANGE 62 WEST, 6<sup>TH</sup> P.M., AND APPROVE UP TO FIFTEEN (15) NEW HORIZONTAL WELLS IN THE 960-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. 190100021

TYPE: SPACING

**AMENDED 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: 1) vacate an approximate 1280-acre drilling and spacing unit established by Order No. 535-8 for Sections 26 and 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M.; 2) vacate Order No. 535-136, which pooled all interests within the 1280-acre drilling and spacing unit established for Sections 26 and 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M.; 3) vacate Order No. 535-490, which approved up to 16 horizontal wells within the 1280-acre unit established for Sections 26 and 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M., for the Niobrara Formation; 4) vacate Order No. 535-503, which pooled all interests within the 1280-acre drilling and spacing unit established for Sections 26 and 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M., for the Cass 26-1H well; 5) establish an approximate 960-acre drilling and spacing unit for Section 26 and the N½ of Section 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M., and to approve up to 15 new wells in the proposed approximate 960-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 62 West, 6<sup>th</sup> P.M.

Section 26: All

Section 35: N½

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

A reference map of the Application Lands is attached hereto.

3. On April 4, 2011, the Commission entered Order No. 535-8 which established an approximate 1,280-acre drilling and spacing unit for Sections 26 and 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M., and approved one horizontal well within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

4. On January 23, 2012, the Commission entered Order No. 535-136 which pooled all interests within the approximate 1,280-acre unit established for Sections 26 and 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M., for the Niobrara Formation.

5. On June 17, 2014, the Commission entered Order No. 535-490 which approved an additional 15 wells, for a total of up to 16 horizontal wells, within an approximate 1,280-acre drilling and spacing unit established by Order No. 535-8 for Sections 26 and 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M. for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation.

6. On June 17, 2014, the Commission entered Order No. 535-503 which pooled all interests within an approximate 1,280-acre drilling and spacing unit established for Sections 26 and 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M., and subjected any nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S. for the drilling of the Cass 26-1H Well, for the development and operation of the Niobrara Formation.

7. On October 15, 2018, Bison Oil and Gas II, LLC ("Bison") filed a spacing application in Docket No. 181200914 to modify an approximate 1280-acre drilling and spacing unit established by Order No. 535-8 for Sections 26 and 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M. to include the Fort Hays, Codell and Carlile Formations and to approve an additional four horizontal wells, for a total of up to 20 horizontal wells, within the established 1280-acre drilling and spacing unit for the Niobrara, Fort Hays, Codell and Carlile Formations. Bison's Application is currently scheduled for the December 17-18, 2018 hearing.

8. Concurrently with the filing of this Application, Mallard filed a Protest to Bison's Application in Docket No. 181200914 on the grounds that Bison's requested relief will result in waste, will adversely affect Mallard's correlative rights, and will result in less recovery of oil, gas and associated hydrocarbons within the Application Lands.

9. To promote efficient drainage within the Niobrara, Codell, Fort Hays and Carlile Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should: 1) vacate an approximate 1280-acre drilling and spacing units established by Order No. 535-8 for Sections 26 and 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M.; 2) vacate Order No. 535-136, which pooled all interests within the 1280-acre drilling and spacing unit; 3) vacate Order No. 535-490, which approved up to 16 horizontal wells within the 1280-acre unit, for the Niobrara Formation; 4) vacate Order No. 535-503, which pooled all interests within the 1280-acre drilling and spacing unit, for the Cass 26-1H well; 5) establish an approximate 960-acre drilling and spacing unit for Section 26 and the N½ of Section 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M., and approve up to 15 new wells in the proposed approximate 960-acre drilling and spacing unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations

10. 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.

11. Mallard maintains that there will be no more than two (2) new well pads in the unit, or adjacent thereto, to be shared with the proposed unit to the south of the Application Lands, unless an exception is granted by the Director.

12. The productive interval of each proposed horizontal well shall be no closer than 600 feet from the boundaries of the proposed 960-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~~ **any other wellbore** within the unit, unless a waiver or consent is obtained from the operator of such well.

13. The Commission records demonstrate that there are no producing horizontal wells within the unit. However, there are 15 pending APDs within the proposed unit filed by Applicant:

<u>Well Name</u>	<u>Document No.</u>	<u>Date Received</u>
Cayuga Fed North 35-26-15HC	401809556	October 26, 2018
Cayuga Fed North 35-26-14HN	401809555	October 26, 2018
Cayuga Fed North 35-26-13HN	401809554	October 26, 2018

Cayuga Fed North 35-26-12HN	401809553	October 26, 2018
Cayuga Fed North 35-26-11HC	401809552	October 26, 2018
Cayuga Fed North 35-26-10HN	401809551	October 26, 2018
Cayuga Fed North 35-26-9HN	401809550	October 26, 2018
Cayuga Fed North 35-26-8HN	4018089548	October 26, 2018
Cayuga Fed North 35-26-7HN	4018089547	October 26, 2018
Cayuga Fed North 35-26-6HC	4018089546	October 26, 2018
Cayuga Fed North 35-26-5HN	4018089545	October 26, 2018
Cayuga Fed North 35-26-4HN	4018089544	October 26, 2018
Cayuga Fed North 35-26-3HN	4018089543	October 26, 2018
Cayuga Fed North 35-26-2HC	4018089542	October 26, 2018
Cayuga Fed North 35-26-1HN	4018089541	October 26, 2018

14. Mallard is requesting to drill and complete up to 15 new horizontal wells (at the time of this filing, the horizontal wells are intended to be oriented in an north/south or south/north orientation) in the proposed approximate 960-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.

15. 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.

16. 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.

17. 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 January 28-29, 2019, that notice be given as required by law, and that upon such hearing, the Commission enter its order to:

A. Vacate an approximate 1280-acre drilling and spacing units established by Order No. 535-8 for Sections 26 and 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M.;

B. Vacate Order No. 535-136, which pooled all interests within the 1280-acre drilling and spacing unit established for Sections 26 and 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M.;

C. Vacate Order No. 535-490, which approved up to 16 horizontal wells within the 1280-acre unit established for Sections 26 and 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M. for the Niobrara Formation;

D. Vacate Order No. 535-503, which pooled all interests within the 1280-acre drilling and spacing unit established for Sections 26 and 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M., for the Cass 26-1H well;

E. Establish an approximate 960-acre drilling and spacing unit for Section 26 and the N½ of Section 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M., and approve up to 15 new wells in the proposed approximate 960-acre drilling and spacing unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara, Fort Hays, Codell and Carlile Formations

F. Provide 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, to be shared with the unit proposed to the south, unless an exception is granted by the Director.

G. Finding that the approximate 960-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 Section 26 and the N½ of Section 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M.

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

DATED **December 20**, 2018.

Respectfully submitted:

**MALLARD EXPLORATION, LLC**

By:

A handwritten signature in blue ink, appearing to be "Jamie L. Jost", is written over a horizontal line.

Jamie L. Jost  
Kelsey H. Wasylenky  
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 )

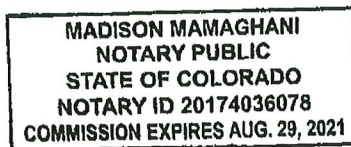
Michael G. Sobecki, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Landman for Mallard Exploration, LLC and that he has read the foregoing Amended Application and that the matters therein contained are true to the best of his knowledge, information and belief.

  
Michael G. Sobecki  
Senior Landman  
Mallard Exploration, LLC

Subscribed and sworn to before me this 20<sup>th</sup> day of December, 2018.

Witness my hand and official seal.

[SEAL]

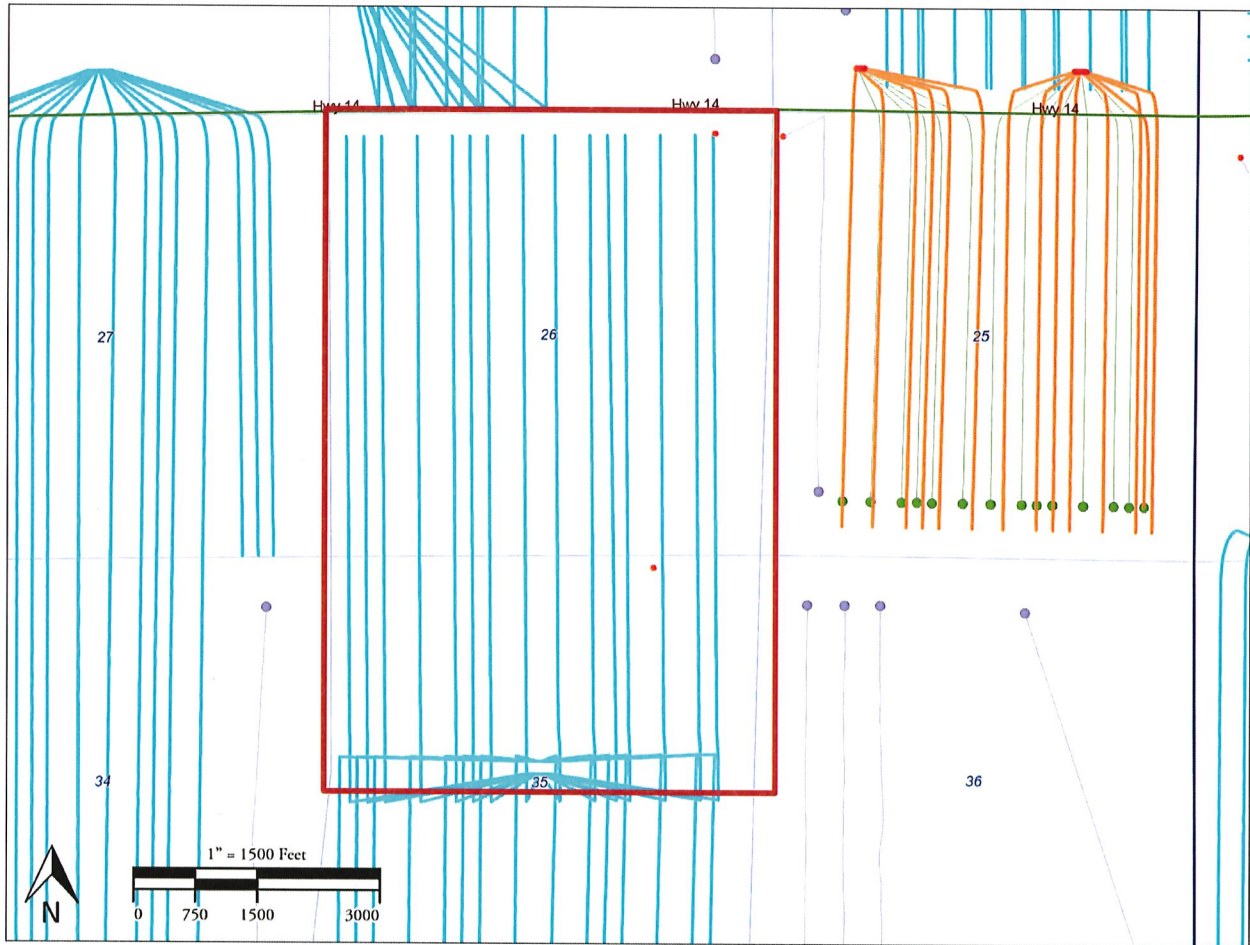


My commission expires: 8/29/21

Manner  
Notary Public

Reference Map  
Mallard Exploration, LLC

Section 26 and the N½ of Section 35, Township 8 North, Range 62 West, 6<sup>th</sup> P.M.



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NEW HORIZONTAL WELLS IN THE 960-ACRE  
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UNNAMED FIELD, WELD COUNTY,  
COLORADO

CAUSE NO. 535

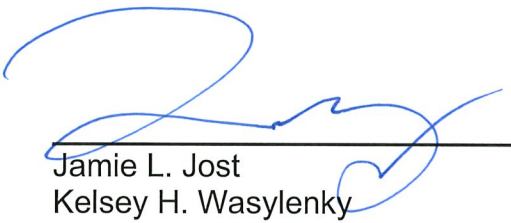
DOCKET NO. 190100021

TYPE: SPACING

**AFFIDAVIT OF MAILING FOR AMENDED APPLICATION**

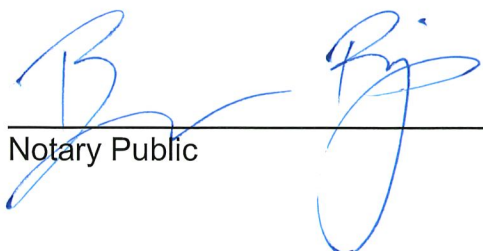
STATE OF COLORADO                    )  
  )ss.  
CITY AND COUNTY OF DENVER        )

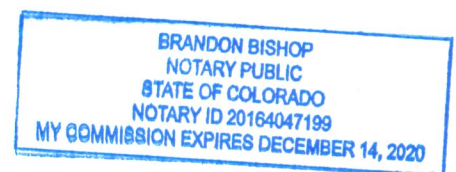
The undersigned, of lawful age, and being first duly sworn upon my oath, state and declare that I am the attorney for Mallard Exploration, LLC, and that on or before the 21<sup>st</sup> day of December, 2018 I caused a copy of the Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to this Affidavit.

  
\_\_\_\_\_  
Jamie L. Jost  
Kelsey H. Wasylenky

Subscribed and sworn to before me this 21<sup>st</sup> day of December, 2018.

Witness my hand and official seal.

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



**EXHIBIT A**  
**Mallard SP - T8N-62W N2 Sec 35 & All Sec 26**

Bureau of Land Management  
2850 Youngfield Street  
Lakewood, CO 80215

DPOC, LLC  
1400 16<sup>th</sup> St., Ste 300  
Denver, CO 80202

Swan Exploration, LLC  
1235 North Loop West, Ste 500  
Houston, TX 77008

Cristi Hinton  
PO Box 1273  
Jay, OK 74346

Bison Oil & Gas II, LLC  
518 17<sup>th</sup> St., Ste 1800  
Denver, CO 80202

Red Hawk Petroleum LLC  
4125 Blackhawk Plaza Circle, Suite 201A  
Danville, CA 94506

Mallard Exploration, LLC  
ATTN: Michael Sobecki  
1400 16<sup>th</sup> Street, Suite 300  
Denver, CO 80202

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

Brandon Marette  
Energy Liaison  
Colorado Parks and Wildlife  
Northeast Regional Office  
6060 Broadway  
Denver, CO 80216

Jason Maxey  
Weld County  
Department of Planning Services  
1555 North 17<sup>th</sup> Avenue  
Greeley, CO 80631