

**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 1280-ACRE DRILLING AND
SPACING UNIT ESTABLISHED FOR
SECTIONS 26 AND 35, TOWNSHIP 8 NORTH,
RANGE 62 WEST, 6TH P.M., FOR THE
NIOBRARA, FORT HAYS, CODELL AND
CARLILE FORMATIONS, UNNAMED FIELD,
WELD COUNTY, COLORADO

CAUSE NO. 535

DOCKET NO. 190300 ____

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 1280-acre drilling and spacing unit established for Sections 26 and 35, Township 8 North, Range 62 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 8 North, Range 62 West, 6th P.M.

Section 26: All

Section 35: All

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

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, 6th P.M., and approved one horizontal well within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara

Formation, and approved 600' setbacks on the boundaries of the 1280-acre unit, and 150' inter-well setbacks, unless an exception is granted by the Director.

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, 6th 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, 6th 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, 6th 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, 6th 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 January 28-29 hearing.

8. 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 1,280-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.

9. 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.

10. The undersigned certifies that copies of this Application will be served on each interested party, as required by Rule 507.a.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing on March 11-12, 2019, 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 1280-acre drilling and spacing unit established for Sections 26 and 35, Township 8 North, Range 62 West, 6th P.M.

B. Find that the reduced setbacks on the unit boundaries of the approximate 1280-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 January 10th, 2019.

Respectfully submitted:

MALLARD EXPLORATION, LLC

By: _____



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Kelsey H. Wasylenky
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Applicant's Address:

Mallard Exploration, LLC
ATTN: Michael Sobecki
1400 16th Street, Suite 300
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VERIFICATION

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

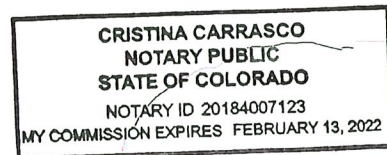
Michael G. Sobecki, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Landman for Mallard Exploration, LLC and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.


Michael G. Sobecki
Senior Landman
Mallard Exploration, LLC

Subscribed and sworn to before me this 7th day of January, 2019.

Witness my hand and official seal.

[SEAL]

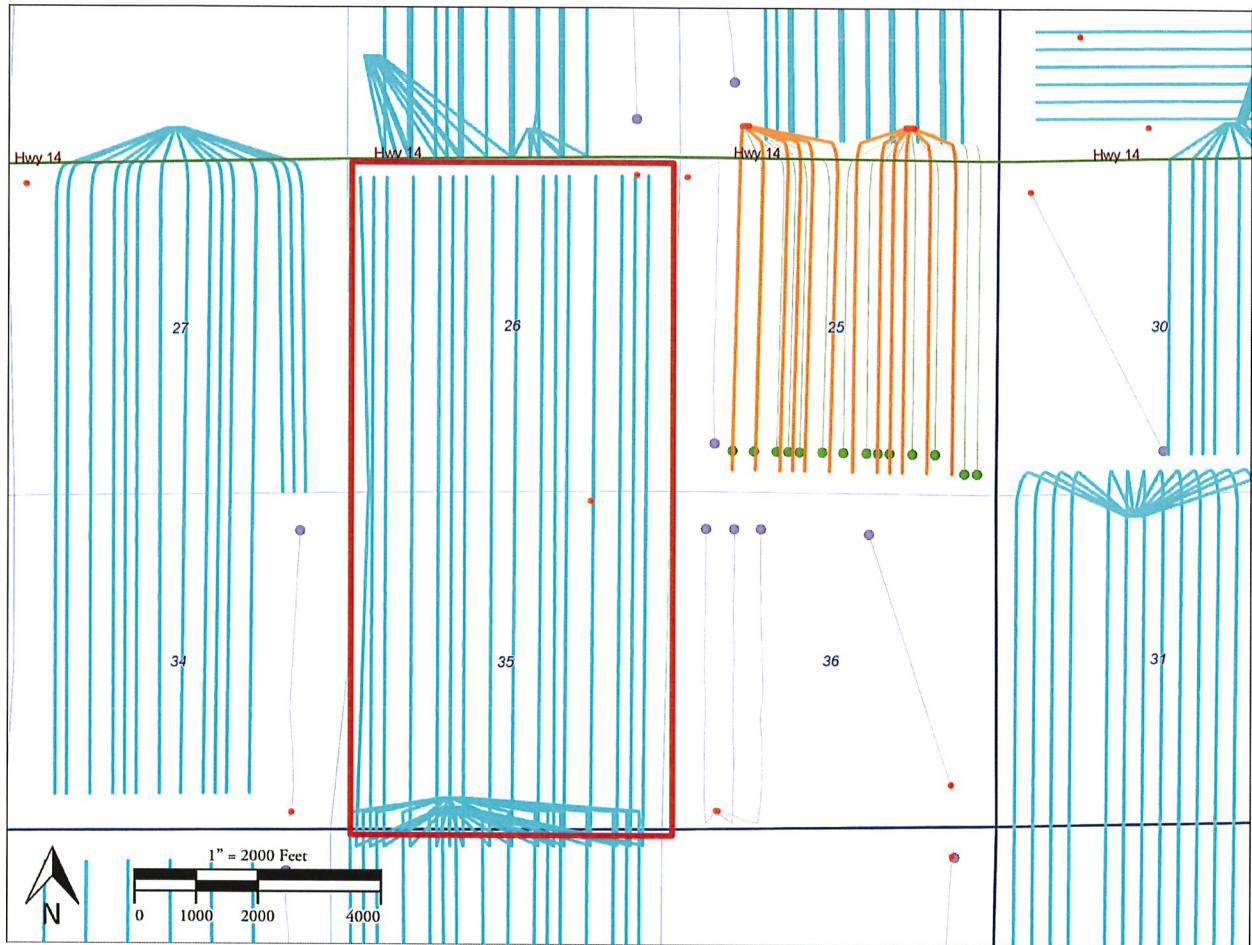


My commission expires: 2/13/22


Notary Public

Reference Map

Sections 26 and 35, Township 8 North, Range 62 West, 6th P.M.



**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION OF)	CAUSE NO. 535
MALLARD EXPLORATION, LLC FOR AN ORDER)	
TO APPROVE 300' REDUCED SETBACKS ON)	DOCKET NO. 190300196
THE BOUNDARIES OF AN APPROXIMATE 1280-)	
ACRE DRILLING AND SPACING UNIT)	TYPE: EXCEPTION
ESTABLISHED FOR SECTIONS 26 AND 35,)	LOCATION
TOWNSHIP 8 NORTH, RANGE 62 WEST, 6 TH)	
P.M., FOR THE NIOBRARA, FORT HAYS,)	
CODELL AND CARLILE FORMATIONS,)	
UNNAMED FIELD, WELD COUNTY, COLORADO)	

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the Application and Notice of Hearing in the above-referenced docket were deposited in the U.S. mail on or before February 4th, 2019 postage pre-paid, to the interested parties listed on the attached Exhibit A.

DATED this 12th day of February 2019.



Sydney Nelson

Exhibit A
Mallard RS - 8N 62W 26 & 35

DPOC, LLC
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Denver, CO 80202

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Greeley, CO 80631

Duangchai Washburn
110 Oak Ave.
Eaton, CO 80615

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

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

Verdad Resources, LLC
5950 Cedar Springs Rd, Ste 200
Dallas, TX 75235

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43251 HWY 392
Briggsdale, CO 80611

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Littleton, CO 80123

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11578 Hemlock St.
Overland Park, KS 66210

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72 Encantado Ct.
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806 17th St.
Bethany, MO 64424

Elona L. Barrett
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Hamburg, IA 51640

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1000 S. 14th St.
Bethany, MO 64424

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552 E. Bridgeport Parkway
Gilbert, AZ 85295

Bureau of Land Management
2850 Youngfield Street
Lakewood, CO 80215

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

Cristi Hinton
PO Box 1273
Jay, OK 74346

Cass Farms Minerals, Inc.
43251 WCR 392
Briggsdale, CO 80611

Bonanza Creek Operating Company,
LLC
410 17th St., Suite 1400
Denver, CO 80202

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

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

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

OOGC America LLC
945 Bunker Hill Road, Suite 1000
Houston, TX 77024

Noble Energy, Inc.
1625 Broadway, Suite 2200
Denver, CO 80202-4720

Caerus Washco LLC
600 17th St., Ste 1600N
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Weldco Resources LLC
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Energy Liaison
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Northeast Regional Office
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