

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

IN THE MATTER OF ALLEGED VIOLATIONS OF THE)	CAUSE NO. 1V
RULES AND REGULATIONS OF THE COLORADO OIL)	
AND GAS CONSERVATION COMMISSION BY)	ORDER NO. IV-
NOBLE ENERGY PRODUCTION, INC.,)	
WELD COUNTY, COLORADO)	

ADMINISTRATIVE ORDER BY CONSENT

FINDINGS

1. On June 30, 2004, the Colorado Oil and Gas Conservation Commission ("COGCC") approved Applications for Permit-to-Drill ("APD") for Patina Oil and Gas Corporation ("Patina") for the Guttersen State CC #20-12 Well located in the NW¼ SW¼ of Section 20, Township 4 North, Range 63 West, 6th P.M., and the Guttersen State CC #20-13 Well located in the SW¼ SW¼ of Section 20, Township 4 North, Range 63 West, 6th P.M. The APDs for both wells had an expiration date of June 29, 2005.

2. On August 15, 2005, Patina, now operating under the name Noble Energy Production, Inc. ("Noble"), notified the COGCC that the Guttersen State CC #20-13 Well had been drilled and that the Guttersen State CC #20-12 Well had been spudded after the expiration date for the approved APDs. The Guttersen State CC #20-13 Well was spudded on August 9, 2005 and was drilled to total depth, with production casing set in the well. The Guttersen State CC #20-12 Well was spudded on August 15, 2005 and was drilled to a depth of 95 feet, at which point Noble realized that the APD had expired and suspended drilling operations.

3. Notices of Alleged Violation ("NOAVs") were issued for both wells on August 16, 2005, for violations of Rule 303.a.(1), requiring an approved Permit-to-Drill prior to drilling, and Rule 303.h., specifying that if operations are not commenced on the permitted well within one (1) year after date of approval, the permit shall become null and void. The NOAVs required Noble to "Submit information detailing how this violation occurred, what actions Noble took to mitigate the violation, and what actions Noble will implement to prevent future occurrences of the problem".

4. On August 16, 2005 Noble refiled APDs, including required documentation and thirty (30) day notice waivers, for both wells. The COGCC approved the refilings on August 16, 2005.

5. Noble complied with the NOAVs on September 15, 2005

6. Rule 523.c. specifies a base fine of One Thousand dollars (\$1,000) per day for each violation of Rule 303.

7. A monetary penalty of One Thousand dollars (\$1,000.00) should be assessed against Noble Energy Production, Inc., in accordance with Rule 523.d., for violation of Rule 303.a.(1) and Rule 303.h. Mitigating factors in determining the fine recommendation under Rule 523.d. are: 523.d.(1), the violation was self-reported by Noble; 523.d.(2), Noble demonstrated prompt, effective, and prudent response to the violation; 523.d.(3), Noble cooperated with the Commission with respect to the violation; 523.d.(6), the cost of correcting the violation reduced or eliminated any economic benefit to the operator.

ORDER

NOW, THEREFORE, IT IS ORDERED, that Noble Energy Production, Inc. shall be found in violation of Rule 303.a.(1), failure to have an approved Application for Permit-to-Drill prior to drilling, and violation of Rule 303.h., if operations are not commenced on the permitted well within one (1) year after date of approval, the permit shall become null and void, for the Guttersen State CC #20-12 Well located in the NW¼ SW¼ of Section 20, Township 4 North, Range 63 West, 6th P.M. and the Guttersen State CC #20-13 Well located in the SW¼ SW¼ of Section 20, Township 4 North, Range 63 West, 6th P.M.

IT IS FURTHER ORDERED, that Noble Energy Production, Inc. shall be assessed a fine of One Thousand dollars (\$1,000.00) payable within thirty (30) days of the date the order is approved by the Commission for violations of the above-described rules occurring on the Guttersen State CC #20-12 and Guttersen State CC #20-13 Wells.

IT IS FURTHER ORDERED, that the provisions contained in the above order shall become effective forthwith.

IT IS FURTHER ORDERED, that the Commission expressly reserves its right after notice and hearing, to alter, amend, or repeal any and/or all of the above orders.

IT IS FURTHER ORDERED, that under the State Administrative Procedure Act the Commission considers this order to be final agency action for purposes of judicial review within thirty (30) days after the date this order is mailed by the Commission.

IT IS FURTHER ORDERED, that an application for reconsideration by the Commission of this order is not required prior to the filing for judicial review.

Recommended this _____ day of September, 2005.

OIL AND GAS CONSERVATION COMMISSION

By _____
David Shelton, Hearing Officer

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
September 23, 2005

AGREED TO AND ACCEPTED THIS _____DAY OF September, 2005.

NOBLE ENERGY PRODUCTION, INC.

By _____
Title
