

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

IN THE MATTER OF THE APPLICATION )  
OF NOBLE ENERGY INC. FOR AN )  
ORDER ESTABLISHING SPACING )  
RULES APPLICABLE TO THE DRILLING )  
AND PRODUCING OF WELLS FROM THE )  
ILES AND WILLIAMS FORK )  
FORMATIONS OF THE MESAVERDE )  
GROUP COVERING CERTAIN LANDS )  
LOCATED IN GARFIELD AND MESA )  
COUNTIES, COLORADO )

CAUSE NO. \_\_\_\_\_  
ORDER NO. \_\_\_\_\_ -

VERIFIED APPLICATION

COMES NOW the Applicant, Noble Energy Inc., by and through its attorneys, Davis Graham & Stubbs LLP, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order establishing spacing rules applicable to the drilling and producing of wells from the Iles and Williams Fork formations of the Mesaverde group covering certain lands located in Garfield and Mesa Counties, Colorado, and in support of its application states and alleges as follows:

1. The Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. Applicant owns oil and gas leases covering the following described lands located in Garfield and Mesa Counties, Colorado, hereafter referred to as "Application Lands":

Township 7 South, Range 93 West, 6<sup>th</sup> P.M.

Section 30: Lots 7, 8, 9, 10, 11, NE/4SW/4

Section 31: Lots 5, 6, 7

Section 32: Lots 3, 5

Township 7 South, Range 94 West, 6<sup>th</sup> P.M.

Section 17: S/2NE/4, W/2, SE/4

Section 18: W/2, W/2SE/4

Section 19: E/2NE/4NE/4, W/2E/2E/2, E/2W/2E/2, W/2NW/4NW/4,  
E/2SE/4SE/4

Section 20: NE/4, E/2E/2W/2, W/2NE/4NW/4, NW/4NW/4, SW/4SW/4, W/2SE/4SW/4  
 Section 24: S/2SW/4NW/4, N/2SW/4, N/2S/2SW/4  
 Section 25: S/2N/2NE/4, S/2NE/4  
 Section 30: NE/4, S/2NW/4, NE/4SW/4 excluding Patents 1037629 and 1067683 Resurvey Tracts I, J, K, L, M, N, O and P as located in Sections 23 and 26

Township 8 South, Range 95 West, 6<sup>th</sup> P.M.

Section 6: All  
 Section 7: All  
 Section 18: Resurvey Tract #41  
 (originally described as the W/2SE/4 of Section 7, and the NW/4NE/4, NE/4NW/4 of Section 18 containing 160.00 acres)  
 Resurvey Tract #40  
 (originally described as Lots 3 and 4 and SE/4SW/4 of Section 7) Resurvey Tract 38 as located in Sections 7 and 18  
 Resurvey Tract 39 as located in Section 18

Township 7 South, Range 96 West, 6<sup>th</sup> P.M.

Section 35: S/2SE/4

Township 8 South, Range 96 West, 6<sup>th</sup> P.M.

Section 1: W/2, W/2NE/4, W/2SE/4, SE/4SE/4  
 Section 2: E/2, E/2SW/4  
 Section 11: E/2, SE/4NW/4, NE/4SW/4  
 Section 12: All  
 Section 13: E/2NW/4, NW/4NE/4, SW/4NW/4  
 Section 14: SW/4SW/4  
 Section 15: SE/4SE/4  
 Section 22: E/2NE/4  
 Section 23: W/2NW/4

3. Applicant has drilled thirteen wells on the Application Lands to the Williams Fork member of the Mesaverde formation and has completed twelve of the wells. In addition, Applicant has drilled and completed three wells on the Application Lands to the Iles member of the Mesa Verde formation. (“Applicant’s Wells”).

4. A portion of the Application Lands are subject to the Commission's Order No. 139-45 establishing 40-acre spacing units for the Williams Fork formation on the following lands:

Township 8 South, Range 96 West, 6<sup>th</sup> P.M.

Section 1: W/2, W/2NE/4, W/2SE/4, SE/4SE/4

Section 2: E/2, E/2SW/4

Section 11: E/2, SE/4NW/4, NE/4SW/4

Section 12: All

Section 13: E/2NW/4, NW/4NE/4, SW/4NW/4

Township 8 South, Range 95 West, 6<sup>th</sup> P.M.

Section 6: All

Section 7: All

Section 18: Resurvey Tract #41

(originally described as the W/2SE/4 of Section 7, and the NW/4NE/4, NE/4NW/4 of Section 18 containing 160.00 acres)

Resurvey Tract #40

(originally described as Lots 3 and 4 and SE/4SW/4 of Section 7)

The Order further provides that the permitted well shall be located downhole anywhere in the drilling and spacing unit but no closer than 100 feet from the boundaries of the unit. In cases where the lands abut or corner lands that the Commission has not at the time of drilling permit application granted the right to drill 10-acre density Williams Fork Formation wells, the well should be located downhole no closer than 200 feet from the boundary or boundaries of the drilling unit so abutting or cornering such lands. Further, no more than four Williams Fork Formation wells downhole per government quarter quarter section shall be allowed, and that wells shall be drilled either vertically or directionally from no more than one (1) well pad located on a given quarter quarter section.

5. The remainder of the Application Lands are unspaced and are subject to the Commission's Rule 318(a) and are described as follows:

Township 7 South, Range 93 West, 6<sup>th</sup> P.M.

Section 30: Lots 7, 8, 9, 10, 11, NE/4SW/4

Section 31: Lots 5, 6, 7

Section 32: Lots 3, 5

Township 7 South, Range 94 West, 6<sup>th</sup> P.M.

Section 17: S/2NE/4, W/2, SE/4

Section 18: W/2, W/2SE/4

Section 19: E/2NE/4NE/4, W/2E/2E/2, E/2W/2E/2, W/2NW/4NW/4,  
E/2SE/4SE/4

Section 20: NE/4, E/2E/2W/2, W/2NE/4NW/4, NW/4NW/4, SW/4SW/4,  
W/2SE/4SW/4

Section 24: S/2SW/4NW/4, N/2SW/4, N/2S/2SW/4

Section 25: S/2N/2NE/4, S/2NE/4

Section 30: NE/4, S/2NW/4, NE/4SW/4 excluding Patents 1037629 and  
1067683 Resurvey Tracts I, J, K, L, M, N, O and P as located  
in Sections 23 and 26

Township 8 South, Range 95 West, 6<sup>th</sup> P.M.

Resurvey Tract 38 as located in Sections 7 and 18

Resurvey Tract 39 as located in Section 18

Township 7 South, Range 96 West, 6<sup>th</sup> P.M.

Section 35: S/2SE/4

Township 8 South, Range 96 West, 6<sup>th</sup> P.M.

Section 14: SW/4SW/4

Section 15: SE/4SE/4

Section 22: E/2NE/4

Section 23: W/2NW/4

6. To promote the efficient drainage of the Iles formation and based upon geological, engineering and production data obtained from the drilling and producing of the Applicant's Wells and other data obtained from adjacent lands, as to the lands subject to the Commission Order No. 139-45 Applicant requests that the Commission establish 40-acre drilling and spacing units for the Iles formation. Subject to paragraph 10 below, Applicant further requests that as to each such drilling and spacing unit the Commission allow up to one Iles well per ten acres that can be optionally drilled into and produced from the Iles formation.

7. To promote the efficient drainage of the Iles and Williams Fork formations, as to that portion of the Application Lands which are not subject to Order No. 139-45 Applicant requests that the Commission establish 40-acre drilling and spacing units for the Iles and Williams Fork formations. Subject to paragraph 10 below, Applicant further requests that as to each such drilling and spacing unit the Commission allow up to one Iles or Williams Fork well per ten acres which can be optionally drilled into and produced from the Iles and Williams Fork formations.

8. As to all future Williams Fork wells to be drilled upon the Application Lands, the wells may be located downhole anywhere in the drilling and spacing unit but no closer than 100 feet from the boundaries of the unit without exception being granted by the Director of the Oil and Gas Conservation Commission. It is provided, however, that in cases where the Application Lands abut or corner lands that the Commission has not at the time of drilling permit application granted the right to drill ten-acre density Williams Fork wells, the well should be located downhole no closer than 200 feet from the boundary or boundaries of the drilling unit so abutting or cornering such lands without exception being granted by the Director of the Oil and Gas Conservation Commission. Applicant does not intend by this Application to drill more than four Williams Fork wells downhole per government quarter quarter section.

9. As to all future Iles wells to be drilled upon the Application Lands, the wells may be located downhole anywhere in the drilling and spacing unit but no closer than 100 feet from the boundaries of the unit without exception being granted by the Director of the Oil and Gas Conservation Commission. It is provided, however, that in cases where the Application Lands abut or corner lands that the Commission has not at the time of drilling permit application granted the right to drill ten-acre density Iles wells, the well should be located downhole no

closer than 200 feet from the boundary or boundaries of the drilling unit so abutting or cornering such lands without exception being granted by the Director of the Oil and Gas Conservation Commission. Applicant does not intend by this Application to drill more than four Iles wells downhole per government quarter quarter section.

10. Applicant commits that both the Iles and Williams Fork wells to be drilled on the Application Lands will on average, if topographically feasible throughout the Application Lands, be drilled from the surface either vertically or directionally from the same pad and no more than one pad located on a given quarter quarter section unless exception is granted by the Director of the Oil and Gas Conservation Commission.

11. The above proposed spacing and well location rules will allow more efficient drainage of the Williams Fork formation and Iles formation of the Mesaverde group; 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.

12. The names and address of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing by the Commission; that notice be given as required by law; and that upon such hearing the Commission enter its Order consistent with the Applicant's proposals as set forth above.

Dated this 12th day of September 2005.

Respectfully submitted,

NOBLE ENERGY INC.

By: \_\_\_\_\_

Gregory R. Danielson  
Davis Graham & Stubbs LLP  
Attorneys for Applicant  
1550 Seventeenth Street, Suite 500  
Denver, Colorado 80202  
Telephone: (303) 892-7438

Applicant's Address:

Noble Energy Inc.  
1625 Broadway, Suite 2000  
Denver, Colorado 80202

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

VERIFICATION

The undersigned, N. Arthur Bollen, being first duly sworn upon oath, states:

1. I am the Senior Landman for Noble Energy Inc. and am personally familiar with the matters set forth in the foregoing Verified Application.

2. I have read the Verified Application and the facts contained therein are true and correct to the best of my knowledge, information and belief.

\_\_\_\_\_  
Subscribed and sworn to before me this \_\_\_\_ day of September, 2005, by  
\_\_\_\_\_.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

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



## EXHIBIT A

### To Verified Application of Noble Energy Inc

Muriel Dutton by  
Linda Marie Dixon,  
Attorney-in-Fact  
P. O. Box 58  
New Castle, CO 81647

Kevin L. Walling and  
Sheila A. Walling  
554 McMullin Drive  
P. O. Box 9168  
Grand Junction, CO 81501

Scott C. Nocks and  
Judy A. Nocks,  
as Joint Tenants  
7101 County Road 306  
Parachute, CO 81635

Gary J. Garber,  
as life estate owner and  
Timothy J. Barber,  
as remainderman  
383 Ridge Circle Drive  
Grand Junction, CO 81503

John V. Hyrup and  
Phyllis Hyrup  
3312 County Road 306  
Parachute, CO 81635

Gilin Jones and  
Linda G. Jones  
7256 County Road 306  
Parachute, CO 81635

John H. Brunel  
P.O. Box 229  
Golden, CO 80401

Marshal & Winston Inc.  
1600 Broadway, Suite 1540  
Denver, CO 80202

Thomas J. Vessels  
730 17<sup>th</sup> Street, Suite 520-A  
Denver, CO 80202

Stella D. Ramos and  
Robert Ramos,  
as Joint Tenants  
5647 County Road 306  
Parachute, CO 81635

Connie A. Murray  
2620 West Vine Drive  
Fort Collins, CO 80521

Alan D. Duncan and  
Vickie Duncan  
P. O. Box 223  
Silt, CO 81652

Charlotte J. Cass,  
as life estate owner and  
Charlotte C. Phipps,  
Daniel C. Cass and  
Kimberly J. Brophy,  
as remainderman  
2286 South Broadway  
Grand Junction, CO 81503

Cecil R. Raspberry and  
Frankie J. Raspberry,  
as Joint Tenants  
6881 County Road 306  
Parachute, CO 81635

Nathan N. Dutton and  
Edith M. Dutton  
4000 County Road 306  
Parachute, CO 81635

Great Northern  
Gas Company  
621 17<sup>th</sup> Street, Suite 1125  
Denver, CO 80239

National Fuel Corp.  
7979 East Tufts Avenue,  
Suite 815  
Denver, CO 80237

John V. Nauroth and  
Dorothy D. Nauroth,  
as Joint Tenants  
6186 County Road 306  
Parachute, CO 81635

Sondra J. Goffinet  
529 North 17<sup>th</sup>  
Grand Junction, CO 81501

Estate of Otis W. Murray  
% Russel Murray  
4183 West 98<sup>th</sup> Way  
Westminster, CO 80031

David S. Dutton  
4852 County Road 306  
Parachute, CO 81635

Apollo Energy LLC  
1557 Ogden Street, Suite 300  
Denver, CO 80218

United States  
Department of the Interior  
Bureau of Land Management  
2850 Youngfield Street  
Lakewood, CO 80215

Maralex Resources, Inc.  
518 17<sup>th</sup> Street, Suite 1600  
Denver, CO 80202

UKP Holdings Inc.  
c/o Viles-Fischer Associates  
One World Trade Center  
Suite 1221  
New York, New York 10048