

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 IN THE RULISON FIELD )  
COVERING CERTAIN LANDS LOCATED )  
IN GARFIELD COUNTY, COLORADO )

CAUSE NO. 139  
DOCKET NO. \_\_\_\_\_ -

**VERIFIED APPLICATION**

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

**APPLICATION LANDS**

2. Applicant owns legal and equitable interests in oil and gas leases covering the following described lands located in Garfield County, Colorado, hereafter referred to as "Application Lands":

Township 7 South, Range 94 West, 6<sup>th</sup> P.M.  
Section 5: SW $\frac{1}{4}$  , S $\frac{1}{2}$ SE $\frac{1}{4}$   
Section 8: All  
Section 17: All  
Section 18: All  
Section 19: All  
Section 20: All

Section 29: All  
Section 30: All  
Section 32: N½ N½

Township 7 South, Range 95 West, 6<sup>th</sup> P.M.  
Section 24: All

*See Exhibit B attached hereto.*

3. Applicant obtained consent from Joan Savage and Savage Resources, LLC for the spacing and density requests set forth herein that will be applied to Joan Savage and Savage Resources, LLC's mineral interests in certain parcels of Sections 5, 8, 17, 19, 29, 30, and 32, T7S, R94W and Section 24, T7S R95W of the Application Lands.

#### **APPLICABLE COMMISSION RULES AND ORDERS**

4. A portion of the Application Lands are unspaced and are subject to the Commission's Rule 318.a. These lands are described as follows:

Township 7 South, Range 94 West, 6<sup>th</sup> P.M.  
Section 5: SW¼, S½SE¼<sup>1</sup>

5. The Application Lands are subject to the Commission's Order Nos. 139-16, 139-28, 139-31, 139-43, 139-53, 139-59, 139-61, and 139-63. *See Exhibit C attached hereto.* The Application Lands are subject to the aforementioned orders as follows:

- a. Section 5 (SW¼, S½SE¼), T7S, R94W: Order Nos. 139-16, 139-28, and 139-63
- b. Section 8, T7S, R94W: Order Nos. 139-16, 139-28
- c. Section 17, T7S, R94W: Order Nos. 139-16, 139-31, 139-59 and 139-61.
- d. Section 18, T7S, R94W: Order Nos. 139-16, 139-59 and 139-61

---

<sup>1</sup> These Application Lands, however, are subject to Commission Order Nos. 139-16, 139-28 and 139-63 with respect to density drilling.

- e. Section 19, T7S, R94W: Order Nos. 139-16, 139-53, 139-59, and 139-61.
- f. Section 20, T7S, R94W: Order Nos. 139-16, 139-59 and 139-61.
- g. Section 29, T7S, R94W: Order Nos. 139-16 and 139-53.
- h. Section 30, T7S, R94W: Order Nos. 139-16, 139-43, 139-53, 139-59 and 139-61.
- i. Section 32 (N½N½), T7S, R94W: Order Nos. 139-16 and 139-53.
- j. Section 24, T7S, R95W: Order Nos. 139-16 and 139-53.

6. Order No. 139-16 established that, pursuant to Order No. 139-3 and 139-2 and with respect to Sections 16, 18, 19, 20, 29, 30 and 32, T7S, R94W, there was to be one (1) well per six hundred and forty (640) acres on the Mesaverde group, which includes both the Williams Fork and the Iles formations. Order No. 139-16 further established that: (i) for Sections 16 and 18, T7S, R94W, the wells were to be located in the NE¼ or the SW¼ no less than 600 feet from the unit boundaries and at least 1200 feet from the nearest well producing from the same source of supply, (ii) for Sections 19, 20, 29, 30, and 32, T7S, R94W, the wells were to be located in the NW¼ or the SE¼ and was to be no less than nine hundred and ninety (990) feet from the unit boundaries and, (iii) for Sections 5, 8 and 17, T7S, R94W, a total two (2) wells were authorized to be drilled for each six hundred and forty (640) acre drilling and spacing unit for production of gas and associated hydrocarbons from the Mesaverde formation and that wells were to be located no less than six hundred (600) feet from the unit boundaries and at least twelve hundred (1,200) feet from the nearest well producing from the Mesaverde formation.

7. Order No. 139-28 established that for Sections 5 and 8, T7S, R94W of the Application Lands there was to be sixteen (16) wells per six hundred and forty (640) acres that were to be optionally drilled into and produced from the Williams Fork formation with the permitted

well to be no closer than four hundred (400) feet from the boundaries of the unit and no closer than eight hundred (800) feet from any existing Williams Fork well.

8. Order No. 139-31 amended Cause No. 139 in its entirety and established the optional drilling of additional wells, up to sixteen (16) wells per 640-acre drilling and spacing unit, for the production of gas and associated hydrocarbons from the Williams Fork formation of the Mesaverde group with the permitted well to be located no closer than four hundred (400) feet from the outer boundaries of the drilling unit and no closer than eight hundred (800) feet to any well or wells producing from the same formation. Order No. 139-31 further amended Cause No. 139 to allow the drilling of the first well in any undrilled section to be located in accordance with the above-described drilling pattern to apply to wells drilled, completed or recompleted in the Williams Fork Formation and to allow the Director of the Commission to approve exception locations if certain conditions exist.

9. Order No. 139-43 increased the number of wells which could be drilled into and produced on Section 30, T7S, R94W of the Application Lands from the Williams Fork Formation of the Mesaverde group to the equivalent of one (1) well per forty (40) acres with the permitted downhole location to be located no closer than two hundred and forty (240) feet from the boundaries of the drilling and spacing unit and no closer downhole than eight hundred (800) feet from any existing Williams Fork well, without an exception being granted by the Director of the Commission.

10. Order No. 139-53 increased the number of wells that could be drilled into and produced on Sections 19, 29, 30 and 32, T7S, R94W and Section 24, T7S, R95W of the Application Lands from the Williams Fork formation of the Mesaverde group to one (1) well per ten (10) acres and, among other things, permitted downhole locations for each Williams Fork well to be located anywhere within the unit but no closer than one hundred (100) feet from the unit boundary unless the boundary abuts or corners lands in respect of which the Commission has not

at the time of the drilling permit application granted the right to drill ten (10) acre density wells, in which event the well shall be drilled downhole no closer than two hundred (200) feet from that portion of the unit boundary which so abuts or corners the lands in respect of which ten (10) acre density downhole drilling for Williams Fork wells has not been ordered by the Commission.

11. Order No. 139-59 established, among other things, ten (10) acre density for production on Sections 17, 18, 19, 20, and 30 of the Application Lands from the Iles formation with the permitted well to be located no closer than one hundred (100) feet from the unit boundary and no closer than two hundred (200) feet from the unit boundary were ten (10) acre density has not been allowed. Order No. 139-59 also established that wells to be drilled would be from the surface either vertically or directionally from no more than one (1) pad located on a given quarter quarter section, unless authorized by order of the Commission upon hearing.

12. Order No. 139-61 established, among other things, ten (10) acre density for production Sections 17, 18, 19, 20, and 30 of the Application Lands from the Williams Fork formation with the permitted well to be located no closer than one hundred (100) feet from the unit boundary and no closer than two hundred (200) feet from the unit boundary were ten (10) acre density has not been allowed. Order No. 139-59 also established that wells to be drilled would be from the surface either vertically or directionally from no more than one (1) pad located on a given quarter quarter section, unless authorized by order of the Commission upon hearing.

13. Order No. 139-63 vacated the SW $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 5, T7S, R94W of the Application Lands from Cause No. 139 and placed such lands under the provisions of Rule 318 of the Rules and Regulations of the Commission. Order No. 139-63 also established a bottomhole location of the permitted well on the remaining acreage of Section 5, T7S, R94W (N  $\frac{1}{2}$ , N  $\frac{1}{2}$ SE  $\frac{1}{4}$ ) of no closer than 100 feet from the boundary line separating the SW $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$  of Section 5, T7S, R94W.

## **APPLICANT'S REQUEST**

14. To promote the efficient drainage of the Williams Fork and Iles formations of the Mesaverde group, Applicant requests that the Commission establish forty (40) acre drilling and spacing units for the Williams Fork and Iles formations as to all of the Application Lands:

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

Section 5: SW $\frac{1}{4}$  , S $\frac{1}{2}$ SE $\frac{1}{4}$

Section 8: All

Section 17: All

Section 18: All

Section 19: All

Section 20: All

Section 29: All

Section 30: All

Section 32: N $\frac{1}{2}$  N $\frac{1}{2}$

Township 7 South, Range 95 West, 6<sup>th</sup> P.M.

Section 24: All

15. The Commission approved ten (10) acre density for the Williams Fork and Iles formations of Sections 17, 18, 19, 20 and 30, T7S, R94W in previous orders. To promote the efficient drainage of the Williams Fork and Iles formations of the Mesaverde group, Applicant requests that the Commission continue with the establishment of up to one (1) Williams Fork well per ten (10) acres and one (1) Iles well per ten (10) acres that can be optionally drilled into and produced from the Williams Fork and Iles formations on the following Application Lands:

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

Section 5: SW $\frac{1}{4}$  , S $\frac{1}{2}$ SE $\frac{1}{4}$

Section 8: All

Township 7 South, Range 95 West, 6<sup>th</sup> P.M.

Section 24: All<sup>2</sup>

Applicant does not intend by this Application to drill more than four (4) Williams Fork and Iles wells downhole per government quarter quarter section.

---

<sup>2</sup> Presco, Inc. obtained Order No. 139-53 which established ten (10) acre density for Lots 14, 15, 16 and 20 of Section 29, T7S, R94W for the Williams Fork formation. Applicant requests that the Commission establish ten (10) acre density for the entire parcel of Section 29, T7S, R94W for the Williams Fork and Iles formations.

16. To promote the efficient drainage of the Iles formations of the Mesaverde group, Applicant requests that the Commission allow up to one (1) Iles well per ten (10) acres that can be optionally drilled into and produced from the Williams Fork and Iles formations on the following Application Lands:

Township 7 South, Range 94 West, 6<sup>th</sup> P.M.  
Section 29: All  
Section 32: N½ N½

Applicant does not intend by this Application to drill more than four (4) Williams Fork and Iles wells downhole per government quarter quarter section.

17. As to all future Williams Fork and Iles wells to be drilled upon all of the Application Lands, the wells may be located downhole anywhere within the unit but no closer than one hundred (100) feet from the unit boundary unless the boundary abuts or corners lands in respect of which the Commission has not at the time of the drilling permit application granted the right to drill ten (10) acre density wells, in which event the well shall be drilled downhole no closer than two hundred (200) feet from that portion of the unit boundary which so abuts or corners the lands in respect of which ten (10) acre density downhole drilling for Iles wells has not been ordered by the Commission.

18. Applicant commits that the Williams Fork and Iles wells to be drilled on all of the Application Lands will on average, if topographically feasible throughout all of the Application Lands, be drilled from the surface either vertically or directionally from the same pad and no more than one (1) pad located on a given quarter quarter section, unless exception is granted by the Director of the Commission.

19. Pursuant to a request from Garfield County, if Applicant desires to use more than one well pad per quarter quarter section on Sections 17, 18, 19, 20, and 30, T7S, R94W of the Application Lands, then it must obtain an order from the Commission. This request shall apply

to Sections 17, 18, 19, 20, and 30, T7S, R94W of the Application Lands upon the outcome of this Application.

### **CONCLUSION**

20. The proposed spacing and well location rules for the above-referenced Application Lands will allow more efficient drainage of the Williams Fork and Iles formations 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.

21. The names and address of the interested parties as to each Tract of the Application Lands according to the information and belief of the Applicant are also 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 \_\_\_\_ day of January, 2007.

Respectfully submitted,

NOBLE ENERGY INC.

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

Gregory R. Danielson  
Jamie L. Jost  
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 COLORADO                    )  
  ) ss.  
COUNTY OF DENVER                    )

VERIFICATION

The undersigned, Robin Hill, 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.

\_\_\_\_\_  
Robin Hill, Senior Landman  
Noble Energy, Inc.

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2007, by  
\_\_\_\_\_.

Witness my hand and official seal.

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

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

## **EXHIBIT A**

### To Verified Application of Noble Energy, Inc.

Harry Hoag  
11129 Mildred St., Apt. 5  
El Monte, CA. 91713

Petrogulf Corporation  
Suite 1435  
518 – 17<sup>th</sup> Street  
Denver, Colorado 80202

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

Joan L. Savage  
5953 County Road 320  
Rifle, CO. 81650

Savage Resources LLC  
910 16<sup>th</sup> Street, Suite 201  
Denver, CO. 80202

Elna Sefcovic  
625 271/2 Road, #159E  
Grand Junction, CO. 81506

Presco, Inc.  
10200 Grogan's Mill Road, Suite 520  
Woodlands, TX. 77380

Harold Bumguardner & Kay Bumguardner  
415 RBC 26 Road  
Rifle, CO. 81650

Ralph Long  
7225 S. Pennsylvania  
Denver, CO. 80122

Mary Lou Tornton  
1653 S. Sossaman Road  
Mesa, AZ. 85208

Richard Hoad  
400 N. Osborn Ave.  
West Covina, CA. 91790

Jesse Smith  
Garfield County  
144 E.3<sup>rd</sup> Street, Suite 203  
Rifle, CO 81650

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