

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 AND WELL LOCATION RULES FOR
DRILLING AND PRODUCING OF WELLS FROM THE
WILLIAMS FORK AND ILES FORMATIONS OF THE
MESAVERDE GROUP FOR CERTAIN DESCRIBED
LANDS IN THE RULISON FIELD, GARFIELD
COUNTY, COLORADO

CAUSE NO. 510

DOCKET NO. _____

APPLICATION

Noble Energy, Inc., by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Colorado Oil and Gas Conservation Commission (“Commission”) for an order establishing spacing and well location rules applicable to the drilling and producing of wells from the Williams Fork and Iles Formations of the Mesaverde Group covering certain described lands in the Rulison Field area in Garfield County and in support of its application states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. Applicant owns a leasehold interest in all or a substantial portion of following described lands (hereinafter “Application Lands”):

Township 7 South, Range 96 West, 6th P.M.
Section 35: NE¼

A reference map is attached hereto.

3. Commission Order No. 510-1 provides that for the production of oil and gas from the Williams Fork formation of the Mesaverde group, the permitted wells are to be no closer than four hundred (400) feet from the boundaries of any lease line and no closer than eight hundred (800) feet from any existing well or wells, without an exception being granted from the Director of the Commission.
4. Commission Order No. 510-36 established forty (40) acre drilling and spacing units for the Application Lands, among other lands, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group, with the equivalent of one (1) well per ten (10) acres and all Williams Fork and Iles Formation wells to be drilled shall be located downhole in the established drilling and spacing unit but no closer than one hundred (100) feet from the unit boundary unless the boundary abuts or corners lands 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 which ten (10) acre density has not been granted by the Commission.
5. Applicant asserts that multiple wells have been drilled upon the Application Lands. As a result of (i) a request by the Bureau of Land Management, (ii) a decrease in post reclamation impacts to the surface owner, and (iii) geological and engineering evidence, Applicant now asserts that Williams Fork and Iles Formation wells in the Mesaverde Group on the Application Lands should be spaced on a one hundred and sixty (160) acre drilling and spacing unit and drilled on a ten (10) acre density basis.
6. Applicant requests that this Commission vacate Commission Order No. 510-36 only as to the Application Lands and enter a new Order allowing a one hundred and sixty (160) acre drilling and spacing unit for Williams Fork and Iles Formation wells in the Mesaverde Group on the Application Lands and allow such wells to be optionally drilled upon a ten (10) acre density basis with each such well to be located downhole anywhere within the unit provided no such wells shall be located downhole any closer than one hundred (100) feet from the boundary of the unit unless such 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 Williams Fork and Iles wells, in which event Williams Fork and Iles Formation wells to be drilled upon the given drilling and spacing unit 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 and Iles Formation wells has not been ordered by the Commission. Applicant is not requesting that this Commission make any changes to the existing well density or setback requirements for the Application Lands that were previously approved by this Commission.

7. Applicant requests that this Commission allow wells drilled under this Application to be drilled from the surface either vertically or directionally from no more than one (1) pad located on a given quarter quarter section (or lots or parcels approximately equivalent thereto) unless exception is granted by the Colorado Oil and Gas Conservation Commission.

8. The above-proposed spacing and well location rules will allow development of the Williams Fork and Iles formations to occur, will not promote waste, will not violate correlative rights, will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoir, and will decrease post reclamation surface impacts to the land.

9. That the names and addresses 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 at the next regular hearing date; that notice be given as required by law and that upon such hearing this Commission enter its order:

A. Allowing Williams Fork and Iles Formation wells in the Mesaverde Group on the Application Lands to be spaced on a one hundred and sixty (160) acre drilling and spacing unit and to be optionally drilled upon a ten (10) acre density basis with each such well to be located downhole anywhere within the unit provided no such wells shall be located downhole any closer than one hundred (100) feet from the boundary of the unit unless such 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 Williams Fork and Iles wells, in which event Williams Fork and Iles Formation wells to be drilled upon the given drilling and spacing unit 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 and Iles Formation wells has not been ordered by the Commission;

B. Allow Williams Fork and Iles Formation wells in the Mesaverde Group on the Application Lands to be drilled from the surface either vertically or directionally from no more than one (1) pad located on a given quarter quarter section (or lots or parcels approximately equivalent thereto) unless exception is granted by the Colorado Oil and Gas Conservation Commission pursuant to application made for such exception; and

C. Granting any other relief necessary to prevent waste and protect correlative rights of the owners.

Dated this 12th day of April, 2010.

Respectfully submitted,

NOBLE ENERGY, INC.

By: _____

Michael J. Wozniak
Jamie L. Jost
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499

Applicant's Address:
1625 Broadway, Suite 2200
Denver, CO 80202

VERIFICATION

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

Robert A. Hoelsken, Attorney in Fact , of Noble Energy, Inc., upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information, and belief.

Subscribed and sworn to before this _____ day of April, 2010.

Witness my hand and official seal.

My commission expires:

Notary Public

[SEAL]

**EXHIBIT A
INTERESTED PARTIES**

United States Department of Interior
Bureau of Land Management
Colorado River Valley Field Office
2300 River Frontage Road
Silt, Colorado 81652

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

Judith H. Jordan
Garfield County
0375 County Road 352, Bldg 2060
Rifle, CO 81650

Kim Kaal
Colorado Division of Wildlife
6060 Broadway
Denver, CO 80216

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

Larry A. Klebold and Karen K. Klebold, as Joint Tenants
1691 County Road 300
Parachute, CO 81635

Donald R. Throm
1689 County Road 300
Parachute, CO 81635-9428

The Ranch at Parachute
1689 County Road 300
Parachute, CO 81635

Williams Production RMT Company
1515 Arapahoe Street, Tower 3
Suite #1000
Denver, CO 80202

Craig L. Hayward
1650 38th Street
Suite #101W
Boulder, CO 80301

Christy Ann Hayward Koeneké
1650 38th Street
Suite #101W
Boulder, CO 80301

Judith R. Hayward
180 South Second Street
Parachute, CO 81635

Puckett Land Company, successor in interest to Desert Resources LLC
5460 South Quebec Street
Suite #250
Greenwood Village, CO 80111

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

Yates Drilling Company
105 South 4th Street
Artesia, NM 88210

Myco Industries, Inc.
105 South 4th Street
Artesia, NM 88210

ABO Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

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

That she is the attorney for Noble Energy, Inc., that on or before April 19, 2010, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Subscribed and sworn to before me April 12, 2010.

My commission expires: _____.

Notary Public