

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) CAUSE NO. 139
ESTABLISHING DRILLING AND SPACING)
UNITS FOR THE DRILLING AND)
PRODUCING OF WELLS FROM THE) DOCKET NO. _____
WILLIAMS FORK FORMATION OF THE)
MESAVERDE GROUP FOR CERTAIN)
DESCRIBED LANDS IN THE RULISON)
FIELD, GARFIELD COUNTY, COLORADO)

VERIFIED APPLICATION

Noble Energy, Inc. ("Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order establishing two (2) drilling and spacing units in the below-described lands ("Application Lands"), and as shown on Exhibit B hereto:

Township 8 South, Range 95 West, 6th P.M.

Section 4: Lots 6, 7, 8, 9, 10 (note – this is a truncated section consisting of approximately 70.88 acres)
Section 9: All

This drilling and spacing unit (DSU #1) consists of contiguous sections comprising approximately 710.88 acres.

Township 8 South, Range 95 West, 6th P.M.

Section 3: Lots 6, 7, 8, 10 (note – this is a truncated section consisting of approximately of 58.73 acres, excluding Lot 9, which is not part of the Application Lands)
Section 10: W½; W½ of the E½; W½ of the E½, E½

This drilling and spacing unit (DSU #2) consists of contiguous sections comprising approximately 618.73 acres. It excludes a strip of unleased, and unspaced, federal lands along, and inside, the eastern boundary of Sections 3 and 10.

In support of its Application, Noble states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado and is a registered operator in good standing with the Commission.

2. Applicant owns 100% of the leasehold interests in the Application Lands described above and shown on Exhibit B. [Portions of the Application Lands lie within a three-mile radius of the Rulison blast site, and this line is shown on Exhibit B. However, this Application does not request any additional well density, nor does it establish surface or downhole well locations. It simply seeks to provide for orderly development of lands that include irregular, truncated sections.]

3. The Application Lands are unspaced, and are subject to Order 139-53, dated December 10, 2007 (corrected December 16, 2007), which, with respect to the Application Lands, superseded Rule 318.a – Location of Wells (2,500' or greater in depth). Pursuant to Order 139-53:

- Williams Fork wells may be drilled on a downhole density equivalent to one well per 10 acres.
- The wells may be drilled vertically or directionally from no more than one well pad per quarter-quarter section, unless an exception is granted by the Commission.
- The wells may be located downhole anywhere on the lands, but shall be no closer to 100 feet from the lease line, except that with respect to abutting or cornering

lands which have not been authorized for 10 acre well density, such wells shall not have a downhole location closer than 200 feet to the portion of the lease line abutting or cornering such lands.

4. Adjacent lands to the west and south of the Application Lands are also subject to Order 139-53, and are unspaced with respect to the development of the Williams Fork Formation. Adjacent lands to the east are federal lands within the White River National Forest and there is no applicable Commission order. Adjacent lands to the north (T7S/R95W, Sec's. 33 & 34) are, in addition to Order 139-53, subject to Order 139-16, dated April 20, 1990, and are spaced on a 640 acre basis for development of the Mesaverde Group, including the Williams Fork Formation.

5. That, in order to facilitate the orderly development of the Application Lands, and promote efficient drainage of the Williams Fork Formation, drilling and spacing units of the described size and configuration should be established, with wells to be located as provided in Order 139-53, except that the lease line setbacks of said order shall be applied to the boundaries of the requested drilling and spacing units.

6. That with respect to DSU #1, Applicant should be allowed to drill and complete, at its option, up to 71 wells ($710.88 / 10 = 71.088$).

7. That with respect to DSU #2, Applicant should be allowed to drill and complete, at its option, up to 62 wells ($618.73 / 10 = 61.873$).

8. That establishment of the requested drilling and spacing units will prevent waste and protect correlative rights.

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 the undersigned certifies that copies of this Application shall be served on each interested party within seven days of the filing hereof, as required by Rule 503.d.

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

Dated this 28th day of July, 2010.

Respectfully submitted,

NOBLE ENERGY, INC.

By: _____

Kenneth A. Wonstolen
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

^{*} Per Rule 507.b(1): "For purposes of applications for the creation of drilling units ... notice of the application shall be served on the owners of the proposed drilling unit". Applicant is the sole "owner" of the leasehold interest contained within the Application Lands. Per Rule 507.c: "For purposes of intervention pursuant to Rule 509 notice shall also be given to the local government designee, the Colorado Department of Public Health and Environment, and the Colorado Division of Wildlife"

VERIFICATION

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

Irene M. Ward, Senior Land Negotiator of Noble Energy, Inc., upon oath deposes and says that she has read the foregoing Application and that the statements contained therein are true to the best of her knowledge, information, and belief.

Subscribed and sworn to before this ____ day of July, 2010.

Witness my hand and official seal.

My commission expires:

Notary Public

[SEAL]

EXHIBIT A
INTERESTED PARTIES

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

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AFFIDAVIT OF MAILING

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

Kenneth A. Wonstolen, of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for Noble Energy, Inc., that on or before July 29, 2010, he 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.

Kenneth A. Wonstolen

Subscribed and sworn to before me on July 28, 2010.

Witness my hand and official seal.

My commission expires: _____.

Notary Public