

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

IN THE MATTER OF THE APPLICATION OF)
NOBLE ENERGY INC. FOR AN ORDER)
ESTABLISHING ONE (1) 400-ACRE)
WELLBORE SPACING UNIT FOR ONE (1))
HORIZONTAL WELL IN THE NIOBRARA)
FORMATION IN THE S½SE¼ OF SECTION)
13, N½NE¼ OF SECTION 24 TOWNSHIP 3)
NORTH, RANGE 65 WEST, 6TH P.M., AND)
THE S½SW¼, SW¼SE¼ OF SECTION 18,)
N½NW¼, NW¼NE¼ OF SECTION 19)
TOWNSHIP 3 NORTH, RANGE 64 WEST, 6TH)
P.M., IN THE WATTENBERG FIELD, WELD)
COUNTY, COLORADO.

Cause No. 407

Docket No. _____

APPLICATION

COMES NOW Noble Energy, Inc. (referred to herein as "Applicant"), by and through its undersigned attorneys, and makes application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission"), for an order establishing one (1) 400-acre wellbore spacing unit for the drilling of one (1) horizontal well for production of oil, gas, and associated hydrocarbons from the Niobrara Formation underlying the following lands:

Township 3 North, Range 64 West, 6th P.M.

Section 18: S½SW¼, SW¼SE¼

Section 19: N½NW¼, NW¼NE¼

Township 3 North, Range 65 West, 6th P.M.

Section 13: S½SE¼

Section 24: N½NE¼

Weld County, Colorado ("Application Lands").

In support thereof, the Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. Applicant owns substantial portion of the leasehold interests on the Application Lands.

3. On February 19, 1992, the Commission issued Order No. 407-87 (amended August 20, 1993), which among other things, established 80-acre drilling and spacing units for the production of oil and/or gas from the Codell and Niobrara Formations underlying certain lands, including the Application Lands, with the permitted well locations in accordance with the provisions of Order No. 407-1. Order No. 407-1 (amended on March 29, 2000 in accordance with Order No. 407-17, entered November 18, 1985), among other things, established 80-acre drilling and spacing units for the production of oil and/or gas and associated hydrocarbons from the Codell Formation underlying certain lands, including the Application Lands, with the drilling and spacing unit to be designated by the operator drilling the first well in the quarter section, (or the Director, if the

operator fails to designate). The permitted well shall be located in the center of either 40-acre tract within the drilling and spacing unit with a tolerance of 200 feet in any direction and the operator shall have the option to drill an additional well on the undrilled 40-acre tract in each 80-acre drilling and spacing unit.

4. On April 27, 1998, the Commission adopted Rule 318A, which, among other things, established drilling windows and allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all of the Cretaceous Age Formation from the base of the Dakota Formation to the surface. The Application Lands are subject to the foregoing Orders and Rule 318A. Pursuant to Rule 318A.j., Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of GWA wells.

5. Applicant plans to drill one (1) horizontal well on the Application Lands. The Butterball H24-69HN Well ("Well") has a proposed surface location of 266' FNL and 2,058' FEL of Section 19, Township 3 North, Range 64 West and a proposed bottomhole location of 75' FSL and 535' FWL of Section 13, Township 3 North, Range 65 West.

6. Applicant requests that the Commission establish a 400-acre wellbore spacing unit for the Well on the Application Lands. The proposed 400-acre wellbore spacing unit shall consist of the following lands:

Township 3 North, Range 64 West, 6th P.M.

Section 18: S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$

Section 19: N $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$

Township 3 North, Range 65 West, 6th P.M.

Section 13: S $\frac{1}{2}$ SE $\frac{1}{4}$

Section 24: N $\frac{1}{2}$ NE $\frac{1}{4}$

Weld County, Colorado ("Wellbore Spacing Unit").

A reference map is attached hereto.

7. Applicant confirms that it is not changing the established 80-acre drilling and spacing units for any existing vertical Niobrara Formation wells. Applicant further confirms that it is not changing the established distribution of proceeds for any existing vertical Niobrara Formation wells subject to Order No. 407-87. Applicant will allocate and distribute proceeds from the Well on a 400-acre basis.

8. Applicant asserts that a 400-acre Wellbore Spacing Unit for the Well will allow for economic and efficient drainage of the Niobrara Formation; 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. A 400-acre wellbore spacing unit is not smaller than the maximum area that can be economically and efficiently drained by one (1) horizontal well in such unit.

9. The surface location of the Well is not within a designated drilling window, however, Applicant has obtained a signed consent letter from the applicable surface owner(s) allowing Applicant to drill from outside a designated window as defined in Commission Rule 318A.a. and further than 50 feet from an existing surface well location as provided in Commission Rule 318A.c.(2). In order to minimize surface disturbance, the Well will be on a new multi-well pad.

10. The treated interval of the wellbore for the Well shall be no closer than 460' from the boundaries of the 400-acre Wellbore Spacing Unit. The Applicant maintains that the one (1) horizontal well will have no adverse effect on correlative rights of adjacent owners.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice thereof be given as required by law and that upon such hearing this Commission shall enter its order:

- A. Establishing the 400-acre Wellbore Spacing Unit for the Butterball H24-69HN Well;
- B. Establishing that the treated interval of the wellbore for the Butterball H24-69HN Well shall be no closer than 460' from the boundaries of the 400-acre Wellbore Spacing Unit;
- C. Finding that the 400-acre Wellbore Spacing Unit will prevent waste, protect correlative rights, and will maximize the efficient and economic production of the Niobrara Formation on the Application Lands; and
- D. Granting any other relief necessary to prevent waste and protect correlative rights of the adjacent owners.

Dated this ____ day of June, 2011.

Respectfully submitted,

Noble Energy, Inc.

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

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

VERIFICATION

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

Joseph H. Lorenzo, of lawful age, being first duly sworn upon oath, deposes and says that he is Senior Land Manager and Attorney-in-Fact for Noble Energy, Inc. and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Title: Senior Land Manager

Subscribed and sworn to before this ____ day of June, 2011.

Witness my hand and official seal.

[SEAL]

My commission expires: _____

Notary Public

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

IN THE MATTER OF THE APPLICATION OF)
NOBLE ENERGY INC. FOR AN ORDER)
ESTABLISHING ONE (1) 400-ACRE)
WELLBORE SPACING UNIT FOR ONE (1))
HORIZONTAL WELL IN THE NIOBRARA)
FORMATION IN THE S½SE¼ OF SECTION)
13, N½NE¼ OF SECTION 24 TOWNSHIP 3)
NORTH, RANGE 65 WEST, 6TH P.M., AND)
THE S½SW¼, SW¼SE¼ OF SECTION 18,)
N½NW¼, NW¼NE¼ OF SECTION 19)
TOWNSHIP 3 NORTH, RANGE 64 WEST, 6TH)
P.M., IN THE WATTENBERG FIELD, WELD)
COUNTY, COLORADO.

Cause No. 407

Docket No. _____

AFFIDAVIT OF MAILING

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

Jamie L. Jost of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Noble Energy, Inc., that on or before June __, 2011, she attempted to cause 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.

Jamie L. Jost

Subscribed and sworn to before me on June __, 2011.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

EXHIBIT A
Interested Parties

Noble Energy, Inc.
1625 Broadway, Suite 2200
Denver, CO 80202

Kerr-McGee Oil & Gas Onshore LP
1099 18th Street, Suite 1800
Denver, CO 80202

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

Celia Greenman
Colorado Division of Wildlife
6060 Broadway
Denver, CO 80216

David Bauer
Weld County
1111 H Street
Greeley, CO 80632