

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 FOUR (4) 40-ACRE DRILLING)
AND SPACING UNITS IN THE NIOBRARA)
FORMATION IN SECTION 35, TOWNSHIP)
1 SOUTH, RANGE 45 WEST, 6TH P.M., YUMA)
COUNTY, COLORADO.)

Cause No. _____

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 four (4) 40-acre drilling and spacing units for production of oil, gas, and associated hydrocarbons from the Niobrara Formation underlying the following lands:

Township 1 South, Range 45 West, 6th P.M
Section 35

Yuma 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. The Application Lands are unspaced and are subject to Rule 318.b, which provides that a well to be drilled to a depth of less than two thousand five hundred (2,500) feet shall be located not less than two hundred (200) feet from any lease line, and not less than three hundred (300) feet from any other producible oil or gas well or drilling well, in said source of supply, except that only one producible oil or gas well in each such source of supply shall be allowed in each governmental quarter-quarter section unless an exception under Rule 318.c. is obtained.
4. Applicant plans to drill four (4) wells on the Application Lands: the Cantrall Trust 13-35 Well, Cantrall Trust 14-35 Well, Cantrall Trust 23-35 Well and Cantrall Trust 24-35 Well (collectively the "Cantrall Trust Wells").
5. The Cantrall Trust 13-35 Well has a proposed surface location in Section 35, Township 1 South, Range 45 West and a proposed bottomhole location in the NW¼SW¼ of Section 35, Township 1 South, Range 45 West.

6. Applicant requests that the Commission establish a 40-acre drilling and spacing unit for the Cantrall Trust 13-35 Well on the Application Lands. The proposed 40-acre drilling and spacing unit shall consist of the following lands:

Township 1 South, Range 45 West, 6th P.M
Section 35: NW $\frac{1}{4}$ SW $\frac{1}{4}$

Yuma County, Colorado ("DSU #1").

A reference map of all of the Application Lands and proposed 40-acre drilling and spacing units is attached hereto.

7. Applicant asserts that one (1) 40-acre drilling and spacing units for the Cantrall Trust 13-35 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 40-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by one (1) well in such unit.

8. The Cantrall Trust 14-35 Well has a proposed surface location in Section 35, Township 1 South, Range 45 West and a proposed bottomhole location in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35, Township 1 South, Range 45 West.

9. Applicant requests that the Commission establish a 40-acre drilling and spacing unit for the Cantrall Trust 14-35 Well on the Application Lands. The proposed 40-acre drilling and spacing unit shall consist of the following lands:

Township 1 South, Range 45 West, 6th P.M
Section 35: SW $\frac{1}{4}$ SW $\frac{1}{4}$

Yuma County, Colorado ("DSU #2").

10. Applicant asserts that one (1) 40-acre drilling and spacing units for the Cantrall Trust 14-35 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 40-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by one (1) well in such unit.

11. The Cantrall Trust 23-35 Well has a proposed surface location in Section 35, Township 1 South, Range 45 West and a proposed bottomhole location in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35, Township 1 South, Range 45 West.

12. Applicant requests that the Commission establish a 40-acre drilling and spacing unit for the Cantrall Trust 23-35 Well on the Application Lands. The proposed 40-acre drilling and spacing unit shall consist of the following lands:

Township 1 South, Range 45 West, 6th P.M
Section 35: NE $\frac{1}{4}$ SW $\frac{1}{4}$

Yuma County, Colorado ("DSU #3").

13. Applicant asserts that one (1) 40-acre drilling and spacing units for the Cantrall Trust 23-35 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 40-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by one (1) well in such unit.

14. The Cantrall Trust 24-35 Well has a proposed surface location in Section 35, Township 1 South, Range 45 West and a proposed bottomhole location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 35, Township 1 South, Range 45 West.

15. Applicant requests that the Commission establish a 40-acre drilling and spacing unit for the Cantrall Trust 24-35 Well on the Application Lands. The proposed 40-acre drilling and spacing unit shall consist of the following lands:

Township 1 South, Range 45 West, 6th P.M
Section 35: SE $\frac{1}{4}$ SW $\frac{1}{4}$

Yuma County, Colorado ("DSU #4").

16. Applicant asserts that one (1) 40-acre drilling and spacing unit for the Cantrall Trust 24-35 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 40-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by one (1) well in such unit.

17 The treated interval of the wellbore for each Cantrall Trust Well shall be no closer than 600' from the boundaries of each respective 40-acre drilling and spacing unit. The Applicant maintains that the four (4) drilling and spacing units 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 one (1) 40-acre drilling and spacing unit for each of the drilling and spacing units set forth below:

i. DSU#1 - Cantrall Trust 13-35 Well:

Township 1 South, Range 45 West, 6th P.M
Section 35: NW $\frac{1}{4}$ SW $\frac{1}{4}$

Yuma County, Colorado;

ii. DSU#2 – Cantrall Trust 14-35 Well:

Township 1 South, Range 45 West, 6th P.M
Section 35: SW $\frac{1}{4}$ SW $\frac{1}{4}$

Yuma County, Colorado;

- iii. DSU#3 – Cantrall Trust 23-35 Well:

Township 1 South, Range 45 West, 6th P.M
Section 35: NE $\frac{1}{4}$ SW $\frac{1}{4}$

Yuma County, Colorado; and

- iv. DSU#4 – Cantrall Trust 24-35 Well:

Township 1 South, Range 45 West, 6th P.M
Section 35: SE $\frac{1}{4}$ SW $\frac{1}{4}$

Yuma County, Colorado.

B. Establishing that the treated interval of the wellbore for each the Cantrall Trust 13-35 Well; Cantrall Trust 14-35 Well, Cantrall Trust 23-35 Well and Cantrall Trust 24-35 Well shall be no closer than two hundred (200) feet from the boundary of the drilling and spacing unit, and not less than three hundred (300) feet from any other producible oil or gas well or drilling well, in said source of supply;

C. Finding that each 40-acre drilling and 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)

Anne L. Schreiner, of lawful age, being first duly sworn upon oath, deposes and says that she is Land Manager and Attorney-in-Fact for Noble Energy, Inc. and that she has read the foregoing Application and that the matters therein contained are true to the best of her knowledge, information and belief.

Anne L. Schreiner Land Manager
Noble Energy, Inc.

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

Witness my hand and official seal.

[SEAL]

My commission expires: _____

Notary Public

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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

Diana J. Cantrall, Trustee of the Diana J. Cantrall
Revocable Trust Dated December 1, 2000
22500 County Road 24
Vernon, CO 80755

Benny L. Cantrall, Trustee of the Benny L. Cantrall
Revocable Trust Dated December 1, 2000
22500 County Road 24
Vernon, CO 80755

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

Linda Briggs
Yuma County
310 Ash Street, Suite A
Wray, CO 80758