

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

IN THE MATTER OF THE APPLICATION OF)
NOBLE ENERGY, INC. FOR AN ORDER) Cause No. _____
POOLING ALL WORKING, UNLEASED)
AND/OR NONCONSENTING INTERESTS IN) Docket No. _____
THE CODELL AND NIOBRARA FORMATIONS)
IN AN 80-ACRE DRILLING AND SPACING)
UNIT LOCATED IN THE WATTENBERG)
FIELD, WELD COUNTY, COLORADO)

APPLICATION

COMES NOW Noble Energy, Inc. (referred to herein as “Applicant”), by and through its undersigned attorneys, and makes application to the Colorado Oil and Gas Conservation Commission (“COGCC”), for an order to pool all interests within an 80-acre drilling and spacing unit for the drilling of a well to produce from the Codell and Niobrara Formations located in the E½SW¼, Section 8, Township 1 North, Range 65 West, 6th P.M., Weld County, Colorado. 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, and is a registered operator in good-standing with the COGCC.
2. Applicant owns certain leasehold interests in the drilling and spacing units requested for pooling.
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. 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, 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 this Rule. Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of GWA wells pursuant to Rule 318A.j.
5. Applicant, pursuant to Commission Rule 530 and pursuant to the provisions of C.R.S. §34-60-116 (6) and (7), seeks an order to involuntarily pool all interests not voluntarily pooled (including working interests and unleased mineral interests) in the Codell and Niobrara Formations, as set forth on Exhibit A, underlying the following described 80-acre drilling and spacing unit:

Township 1 North, Range 65 West, 6th P.M.
Section 8: E½SW¼

(referred to herein as the “80-acre Drilling and Spacing Unit”)

6. Applicant proposes to directionally drill the Lulu XX08-14D Well (“Lulu Well”) within the established 80-acre Drilling and Spacing Unit with a proposed surface location of 1983’ FSL and 1041’ FWL of Section 8, Township 1 North, Range 65 West and a proposed bottomhole location 660’ FSL and 1980’ FWL of Section 8, Township 1 North, Range 65 West. Applicant holds an approved

Application for Permit to Drill for the Lulu well. Applicant intends to commingle the Lulu Well's production from the 80-acre Drilling and Spacing Unit for the Codell and Niobrara Formations and the 320-acre Drilling and Spacing Unit for the J-Sand and Dakota Formations, as discussed in Paragraphs 7 and 8 below, and allocate such production accordingly.

7. On October 19, 1981, the Commission issued Order No. 232-23 which, among other things, established 320-acre drilling and spacing units for the production of gas and associated hydrocarbons from the J-Sand for the Application Lands and allowed up to two (2) wells to be drilled within each 320-acre drilling and spacing unit. On November 16, 1992, the Commission issued Order No. 499-15 which established 320-acre drilling and spacing units for the Application Lands, among others, for production of oil, gas, and associated hydrocarbons from the Dakota Formation. The 320-acre drilling and spacing units for the Application Lands were to consist of the E $\frac{1}{2}$ and W $\frac{1}{2}$ or the N $\frac{1}{2}$ and the S $\frac{1}{2}$ of each section, and each unit shall be identical to the 320-acre drilling and spacing units for the J-Sand Formation established in Cause No. 232, with the permitted well to be located in any quarter section of the 320-acre drilling and spacing unit, no closer than 990 feet from the boundary of the quarter section. Order No. 499-15 also provided procedures to obtain exceptions to the permitted well locations and to allow the recompletion and downhole commingling of production from the Dakota, "J" Sand, Codell, Niobrara, Sussex and Shannon Formations.

8. Applicant's approved Application for Permit to Drill the Lulu Well includes approval for production from the J-Sand and Dakota Formations underlying the following described 320-acre drilling and spacing unit:

Township 1 North, Range 65 West, 6th P.M.
Section 8: S $\frac{1}{2}$

Applicant owns 100% of the leasehold interest in the 320-acre drilling and spacing unit for production from the J-Sand and Dakota Formations.

9. Exhibit A attached hereto lists working interest owners and unleased mineral interest owners for the 80-acre Drilling and Spacing Unit together with their addresses. All working interest owners (not otherwise voluntarily pooled) have been offered the opportunity to voluntarily participate in the drilling of the Lulu Well. To date, however, not all of such working interest owners have elected to participate by agreeing to bear their respective proportionate shares of the costs and risks of drilling, completing and operating the well. AFE's containing the information respecting this well required by Commission Rule 530.b. were sent to these working interest owners more than thirty (30) days prior to the date of the hearing on this application. Exhibit A also lists all unleased mineral owners within the 80-acre Drilling and Spacing Unit. All unleased mineral owners (not otherwise voluntarily pooled) have been offered the opportunity to participate in the drilling of the Lulu Well. To date, however, not all of such owners have elected to participate by agreeing to bear their proportionate shares of the costs and risks of drilling, completing and operating the well. In addition and as applicable, Applicant has made offers to lease each of these unleased mineral owners (not otherwise voluntarily pooled) as required by Commission Rule 530.c. and C.R.S. §34-60-116(7)(d). To date, however, not all of such unleased mineral owners have accepted such offers. Such offers to participate in drilling or to lease were sent to these unleased mineral interest owners more than thirty (30) days prior to the date of the hearing on this Application.

10. Applicant requests that the Commission's involuntary pooling order issued with respect to this Application be made retroactive to the date of the spudding of the Lulu Well.

11. Notice of this Application has been provided to those parties listed on Exhibit A attached hereto.

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 enter its order:

A. Pooling involuntarily all of the working interest owners listed on Exhibit A with whom Applicant has been unable to secure an agreement for the drilling of the Lulu Well as described in Paragraph 6 and that such working interest owners be treated as non-consenting owners under C.R.S. §34-60-116 and made subject to the terms and penalties provided for therein.

B. Pooling involuntarily all of the unleased mineral interest owners listed on Exhibit A with whom Applicant has been unable to secure a lease or an agreement for the drilling of the Lulu Well as described in Paragraph 6 and that such owners be treated as non-consenting owners under C.R.S. §34-60-116 and made subject to the terms and penalties provided for therein.

C. That all interest owners in the 80-acre Drilling and Spacing Unit which are not voluntarily pooled in the 80-acre Drilling and Spacing Unit be involuntarily pooled.

D. That the effective date of the COGCC's involuntary pooling order will be made retroactive to the date of spudding of the Lulu Well.

E. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this ____ day of November, 2010.

Respectfully submitted,

NOBLE ENERGY, INC.

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

Applicant's Address:
1625 Broadway, Suite 2000
Denver, CO 80202

VERIFICATION

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

P. David Padgett, of lawful age, being first duly sworn upon oath, deposes and says that he is 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.

P. David Padgett

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

Witness my hand and official seal.

[SEAL]

My commission expires: _____

Notary Public

EXHIBIT A
Interested Parties

Codell and Niobrara Formations

English Farms, Inc.
14111 County Road 2
Wiggins, CO 80654

English Feed Lot 2, LLC
14111 County Road 2
Wiggins, CO 80654

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AFFIDAVIT OF MAILING

STATE OF COLORADO)
)ss.
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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 November ____, 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.

Jamie L. Jost

Subscribed and sworn to before me on November ____, 2010.

Witness my hand and official seal.

My commission expires: _____.

Notary Public