

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 AN APPROXIMATE 640	)	Cause No.
ACRE DRILLING AND SPACING UNIT FOR	)	
THE DRILLING OF HORIZONTAL WELLS	)	Docket No.
AND ADDITIONAL OPTIONAL VERTICAL	)	
WELLS FOR THE PRODUCTION OF OIL	)	
AND GAS AND ASSOCIATED	)	
HYDROCARBONS FROM THE CODELL-	)	
NIOBRARA FORMATION, SUCH DRILLING	)	
AND SPACING UNIT BEING DESCRIBED AS	)	
SECTION 17, TOWNSHIP 6 NORTH, RANGE	)	
62 WEST, 6 <sup>TH</sup> P.M., WELD COUNTY,	)	
COLORADO	)	

APPLICATION

Noble Energy, Inc. ("Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order establishing an approximate 640-acre drilling and spacing unit for the production of oil, gas, and associated hydrocarbons from the Codell-Niobrara Formation, such proposed drilling and spacing unit described as follows:

Township 6 North, Range 62 West, 6<sup>th</sup> P.M.  
Section 17: All

Weld County, Colorado ("Application Lands")

In support thereof, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. Applicant holds all or substantially all of the leasehold interests in the Application Lands. A reference map of the Application Lands is attached hereto.
3. The Application Lands are subject to Commission Rule 318.a. which provides that a well to be drilled in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing. There are no other specific Commission Orders applicable to the Codell-Niobrara Formation underlying the Application Lands.

4. Applicant requests that the Commission establish the Application Lands as an approximate 640 acre drilling and spacing unit for the Codell-Niobrara Formation pursuant to Rule 503.b.(1) and Colorado Revised Statute Section 34-60-116(1).

5. Applicant states the Degenhart USX AE17-99HZ and the Degenhart USX AE17-63HN are producing from the Codell-Niobrara formation within the Application Lands. Proceeds from these wells have been distributed on a lease basis; the Application Lands are subject to a single oil and gas lease. Applicant requests that it be authorized to drill and complete one or more additional horizontal wells in the 640-acre drilling and spacing unit comprised of the Application Lands as necessary to economically and efficiently recover the oil and gas resources from the Codell-Niobrara Formation, to prevent waste, and to protect correlative rights.

6. Applicant requests that it be authorized to locate surface facilities for the proposed horizontal wells anywhere within the designated drilling and spacing unit or surrounding lands, but that the treated interval of any horizontal well may be no closer than 600' from the boundaries of the drilling and spacing unit and the distance between the treated interval of horizontal wells within the drilling and spacing unit shall not be less than 150 feet.

7. Applicant states there are presently two vertical wells within the proposed drilling and spacing unit completed to the Codell-Niobrara formation: the Degenhart USX AE17-04 and the Degenhart USX AE1-06, as shown on the attached well location certificate. Proceeds from these wells have been distributed on a lease basis; the Application Lands are subject to a single oil and gas lease.

8. In addition to the proposed horizontal wells, Applicant requests that it be authorized to drill and complete one or more new vertical wells to the Codell-Niobrara Formation in the Application Lands. The Applicant states that any vertical well completed to the Codell-Niobrara Formation shall be located anywhere on the surface within the drilling and spacing unit or surrounding lands, with a bottomhole location not less than 150' from any existing or permitted oil or gas wellbore, and no closer than 600' from the boundaries of the drilling and spacing unit, unless an exception is authorized by the Director.

9. Applicant asserts that establishing an approximate 640 acre drilling and spacing unit for the Application Lands for the Codell-Niobrara Formation will allow for economic and efficient drainage of the Codell-Niobrara Formation; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of oil and associated hydrocarbon substances from said formation. A 640 acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the Codell-Niobrara Formation within such unit.

10. 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, and the undersigned certifies that copies of this Application shall be served on each interested party within the next seven days as required by Rule 503.e.

WHEREFORE, Applicant respectfully 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:

A. Establishing the Application Lands as an approximate 640 acre drilling and spacing unit for the Codell-Niobrara Formation, in which one or more additional horizontal wells and optional additional vertical wells are authorized to be drilled as necessary to economically and efficiently drain oil and gas resources;

B. The surface location for each well drilled within the drilling and spacing unit may be located anywhere within the unit or on surrounding lands; the treated interval within the Codell-Niobrara Formation of any well may not be located any closer than 600 feet to the unit boundary line. The distance between the treated interval of wells within the drilling and spacing unit shall not be less than 150 feet;

C. Finding that approximate 640 acre drilling and spacing units for the Codell-Niobrara Formation will prevent waste, protect correlative rights, and will maximize the efficient and economic production of the Codell-Niobrara Formation on the Application Lands; and

D. Granting any other relief as may be appropriate.

Dated this \_\_\_\_ day of November, 2011.

Respectfully submitted,

**NOBLE ENERGY, INC.**

By:

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Matthew J. Lepore  
Elizabeth Y. Gallaway  
Michael J. Wozniak  
Beatty & Wozniak, P.C.  
Attorneys for Applicant  
216 16th Street, Suite 1100  
Denver, Colorado 80202

Applicant's Address:

Noble Energy, Inc.  
C/O Gabe Findlay  
1625 Broadway, Suite 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.

\_\_\_\_\_  
Joseph H. Lorenzo, Attorney-In-Fact

Subscribed and sworn to before this \_\_\_\_ day of November, 2011.

Witness my hand and official seal.

[SEAL]

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

EXHIBIT A

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

Kim Kaal  
Energy Liaison  
DOW  
711 Independent Avenue  
Grand Junction, CO 81505

David Bauer  
Weld County Government  
1111 H Street  
Greeley, CO 80632

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## **AFFIDAVIT OF MAILING**

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

Matthew J. Lepore, 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 November 30, 2011, he 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.

Matthew J. Lepore

Subscribed and sworn to before me on November \_\_\_\_, 2011.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_.

Notary Public