

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. 535
ACRE EXPLORATORY DRILLING UNIT FOR	)	
THE DRILLING OF HORIZONTAL WELLS	)	Docket No. 1201-SP-11
AND ADDITIONAL OPTIONAL VERTICAL	)	
WELLS FOR THE PRODUCTION OF OIL	)	
AND GAS AND ASSOCIATED	)	
HYDROCARBONS FROM THE CODELL AND	)	
NIOBRARA FORMATIONS, SUCH	)	
EXPLORATORY DRILLING UNIT BEING	)	
DESCRIBED AS SECTION 17, TOWNSHIP 11	)	
NORTH, RANGE 61 WEST, 6 <sup>TH</sup> P.M., WELD	)	
COUNTY, COLORADO	)	

AMENDED 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 exploratory drilling unit for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations, such proposed exploratory drilling unit described as follows:

Township 11 North, Range 61 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 or Niobrara Formation underlying the Application Lands.

4. Applicant requests that the Commission establish the Application Lands as an approximate 640 acre exploratory drilling unit for the Codell and Niobrara Formations pursuant to Rule 503.b.(1) and Colorado Revised Statute Section 34-60-116(2).

5. Applicant requests that it be authorized to drill and complete one or more additional horizontal wells in the 640-acre exploratory drilling unit comprised of the Application Lands as necessary to economically and efficiently recover the oil and gas resources from the Codell and Niobrara Formations, minimize surface impacts, create efficiencies for drilling and production, increase the ultimate recovery of oil or gas from these Formations, prevent waste, and protect correlative rights.

6. Applicant states the DF Ranch PC GK17-99HZ is producing from the Niobrara formation within the Application Lands.

7. Applicant states there are presently three vertical wells within the proposed exploratory drilling unit completed to the J-Sand formation: DF Ranch 1161-17-12; DF Ranch 1161-17-42; and DF Ranch 17-34. Applicant requests these wells be excluded from the proposed exploratory drilling unit and that the established drilling and spacing units for these existing vertical J-Sand Formation wells not be changed. Applicant confirms that it will not change the established distribution of proceeds for any existing vertical J-Sand Formation wells within the proposed 640-acre drilling and spacing unit.

8. In addition to the proposed horizontal wells, Applicant requests that it be authorized to drill and complete one or more new vertical or directional wells, or to complete one or more of the existing vertical wells, to the Codell and Niobrara Formations in the Application Lands.

9. Applicant states wells to be drilled under this Application, whether horizontal, vertical or directional, shall be drilled from no more than four well pads per quarter section with wells on each pad to be drilled within 50 feet of an adjacent well, absent a showing of good cause, which shall include surface owner consent. Applicant states that, for any new wells completed within the proposed 640-acre exploratory drilling unit, the bottomhole location or, in the case of horizontal wells, the treated intervals of the wellbore, shall be not less than 600 feet from the outer boundary of the exploratory drilling unit and not less than 150 feet from another well or treated interval of a well. Applicant states that it will minimize surface impacts to the extent reasonably technically feasible and economically practicable.

10. Applicant asserts that establishing an approximate 640 acre exploratory drilling unit for the Application Lands for the Codell and Niobrara Formations will allow for economic and efficient drainage of the Codell and Niobrara Formations; 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 unit is not smaller than the maximum area that can be economically and efficiently drained by the proposed wells in the Codell and Niobrara Formations within such unit.

11. 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 exploratory drilling unit for the Codell and Niobrara Formations, in which one or more horizontal wells and optional additional vertical or directional wells are authorized to be drilled as necessary to economically and efficiently drain oil and gas resources, minimize surface impacts, create efficiencies for drilling and production, and to increase the ultimate recovery of oil or gas from these Formations, to prevent waste, and to protect correlative rights.

B. Absent a showing of good cause, which shall include surface owner consent, wells to be drilled in the exploratory drilling unit, whether horizontal, vertical or directional, shall be drilled from no more than four well pads per quarter section with wells on each pad to be drilled within 50 feet of an adjacent well. The bottomhole location or, in the case of horizontal wells, the treated intervals of the wellbore, shall be not less than 600 feet from the outer boundary of the exploratory drilling unit and not less than 150 feet from another well or treated interval of a well. Applicant shall use its best efforts, taking into account technical feasibility and economic practicality, to minimize surface impacts within the 640-acre exploratory drilling unit.

C. Three existing vertical wells within the 640-acre unit completed to the J-Sand Formation are excluded from the exploratory drilling unit hereby created for the Codell and Niobrara Formations. The spacing units for the existing J-Sand Formation vertical wells are unchanged by this Order and proceeds from those wells shall continue to be distributed pursuant to the existing spacing for such wells.

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

E. Granting any other relief as may be appropriate.

Dated this 17th day of January, 2012.

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)

Julie Jenkins, of lawful age, being first duly sworn upon oath, deposes and says that she is Senior Land Manager 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.

\_\_\_\_\_  
Julie Jenkins

Subscribed and sworn to before this \_\_\_\_ day of January, 2012.

Witness my hand and official seal.

[SEAL]

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

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

EXHIBIT A

Noble Energy WyCo LLC  
P. David Padgett  
1625 Broadway, Suite 2200  
Denver, CO 80202

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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COUNTY, COLORADO )

## **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 January 18<sup>th</sup>, 2012, 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 January \_\_\_\_, 2012.

Witness my hand and official seal.

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

Notary Public