

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) APPROXIMATE)
318.24-ACRE WELLBORE SPACING UNIT)
FOR ONE (1) HORIZONTAL WELL IN THE)
CODELL-NIOBRARA FORMATION IN THE)
E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$ OF SECTION 31, TOWNSHIP)
3 NORTH, RANGE 67 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) approximate 318.24-acre wellbore spacing unit for the drilling of one (1) horizontal well for production of oil, gas, and associated hydrocarbons from the Codell-Niobrara Formation underlying the following lands:

Township 3 North, Range 67 West, 6th P.M.
Section 31: E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$

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 has drilled one (1) horizontal well on the Application Lands. The Varra P31-74HN Well ("Well") has a surface location of 165' FNL and 2311' FWL of Section 31, Township 3 North, Range 67 West and a bottomhole location of 535' FSL and 1980' FEL of Section 31, Township 3 North, Range 67 West.

6. Applicant requests that the Commission establish an approximate 318.24-acre wellbore spacing unit for the Well on the Application Lands. The proposed approximate 318.24-acre wellbore spacing unit shall consist of the following lands:

Township 3 North, Range 67 West, 6th P.M.
Section 31: E $\frac{1}{2}$ W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$

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

A Well Location Certificate is attached hereto.

7. Applicant confirms that it is not changing the established 80-acre drilling and spacing units for any existing vertical Codell or Niobrara Formation wells. Applicant further confirms that it is not changing the established distribution of proceeds for any existing vertical Codell or Niobrara Formation wells subject to Order No. 407-87. Applicant will allocate and distribute proceeds from the Well on an approximate 318.24-acre basis.

8. Applicant asserts that an approximate 318.24-acre wellbore spacing unit for the Well 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 gas and associated hydrocarbon substances from the reservoirs. An approximate 318.24-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. Applicant has a surface use agreement with the surface owner and has the surface owner's consent to locate the Well outside of a designated drilling window and greater than 50 feet from an existing well under Rules 318A.a.(3) and 318A.c.(2).

10. The treated interval of the wellbore for the Well shall be no closer than 460' from the boundaries of the approximate 318.24-acre Wellbore Spacing Unit. The Applicant maintains the 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 approximate 318.24-acre Wellbore Spacing Unit for the Varra P31-74HN Well;

B. Establishing that the treated interval of the wellbore for the Varra P31-74HN Well shall be no closer than 460' from the boundaries of the approximate 318.24-acre Wellbore Spacing Unit;

C. Finding that the approximate 318.24-acre Wellbore Spacing Unit 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 necessary to prevent waste and protect correlative rights of the adjacent owners.

Dated this 5TH day of January, 2012.

Respectfully submitted,

NOBLE ENERGY, INC.

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

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 January, 2012.

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)

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 12, 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 attached hereto.

Matthew J. Lepore

Subscribed and sworn to before me on January ___, 2012.

Witness my hand and official seal.

My commission expires: _____.

Notary Public

EXHIBIT A

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

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

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

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