

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 PRODUCTION OF OIL AND GAS AND)	Docket No.
ASSOCIATED HYDROCARBONS FROM THE)	
CODELL AND NIOBRARA FORMATIONS ON)	
CERTAIN LANDS IN 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 and Niobrara Formations, such proposed drilling and spacing unit described as follows:

Township 11 North, Range 61 West, 6th P.M.
Section 2: 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 drilling and spacing unit for the Codell and Niobrara Formations pursuant to Rule 503.b.(1) and Colorado Revised Statute Section 34-60-116(1).
5. Applicants requests that it be authorized to drill and complete one or more 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 and Niobrara Formations, 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'.

7. Applicant states there are presently three vertical wells within the Application Lands completed to the J-Sand formation, the DF Ranch AG 05-22, DF Ranch 02-31, and DF Ranch 02-33, as shown on the attached well location certificate. In addition, there is one vertical well completed to the Codell and Niobrara Formations within the Application Lands, the Heath PC GK 02-07. Applicant requests that these wells be excluded from the proposed drilling and spacing unit and that the established drilling and spacing units for the existing vertical wells not be changed. Applicant confirms that it will not change the established distribution of proceeds for the existing vertical wells within the proposed 640-acre drilling and spacing unit.

8. In addition to the proposed horizontal wells, Applicant states it may, in the future, seek to drill and complete one or more vertical or directional wells to the Codell and Niobrara Formations within the Application Lands in order to efficiently and economically develop the resources. Applicant affirmatively states that its request for authorization to drill and complete only horizontal wells at this time should not be construed to limit or preclude Applicant's right to drill and complete vertical or directional wells within the Application Lands in the future. Applicant requests that future vertical or directional wells approved within the Application Lands, if any, be spaced independently from the proposed 640-acre drilling and spacing unit, based upon relevant geologic and engineering testimony, and in conformance with then applicable Commission spacing and well location Rules.

9. Applicant asserts that establishing an approximate 640 acre drilling and spacing 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 Formations. 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 and Niobrara Formations 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 and Niobrara Formations, in which one or more horizontal wells are authorized to be drilled as necessary to economically and efficiently drain oil and gas resources;

B. Providing that 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 and Niobrara Formations of any well may not be located any closer than 600 feet to the unit boundary line; and the distance between the treated interval of wells within the drilling and spacing unit shall not be less than 150 feet;

C. Excluding from the spacing unit hereby created three existing vertical wells completed to the J-Sand Formation within the Application Lands, namely the DF Ranch AG 05-22 well, DF Ranch 02-31 well, and DF Ranch 02-33 well; and excluding from the spacing unit hereby created one existing vertical well completed to the Codell and Niobrara Formations within the Application Lands, namely the Heath PC GK 02-07 well. The spacing units for the forgoing wells within the Application Lands 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 an approximate 640 acre drilling and spacing unit 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;

E. Providing that future vertical or directional wells completed to the Codell and Niobrara Formations within the Application Lands are not precluded, and that such wells, if any, may be spaced independently from the approved 640-acre drilling and spacing unit, based upon relevant geologic and engineering testimony, and in conformance with then applicable Commission spacing and well location Rules; and

F. Granting any other relief as may be appropriate.

Dated this 5th day of January, 2012.

Respectfully submitted,

NOBLE ENERGY, INC.

By:

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Elizabeth Y. Gallaway
Michael J. Wozniak
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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
INTERESTED PARTIES

The list of interested parties shall be filed in compliance with the COGCC Rules.