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

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IN THE MATTER OF THE APPLICATION OF NOBLE ENERGY, INC. FOR AN ORDER POOLING ALL INTERESTS IN THE CODELL AND NIOBRARA FORMATIONS IN A DESIGNATED 160-ACRE WELLBORE SPACING UNIT LOCATED IN THE WATTENBERG FIELD, WELD COUNTY, COLORADO.

Cause No. \_\_\_\_\_

Docket No.\_\_\_\_\_

## 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 ("Commission"), for an order to pool all interests within a designated 160-acre wellbore spacing unit for the drilling of a well to produce from the Codell and Niobrara Formations located in the following lands:

Township 4 North, Range 64 West, 6<sup>th</sup> P.M Section 7: S 1/2SE1/4 Section 18: N1/2NE1/4

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, and is a registered operator in good-standing with the Commission.

2. Applicant owns certain leasehold interests in the Application Lands.

3. On May 16, 2011, the Commission issued Order No. 407-399, which among other things, established a 400-acre wellbore spacing unit and approved one horizontal well therein for the production of oil and/or gas from the Niobrara Formation underlying certain lands, including a portion of the Application Lands.

4. On May 16, 2011, the Commission issued Order No. 407-403, which among other things, established a 320-acre wellbore spacing unit and approved one horizontal well therein for the production of oil and/or gas from the Niobrara Formation underlying certain lands, including a portion of the Application Lands.

5. 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.

6. 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. On December 5, 2005, Rule 318A was amended to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. The Application Lands are subject to Rule 318A for the Codell and Niobrara Formations.

7. Applicant designated a 160-acre Wellbore Spacing Unit, as described below, for the production of oil, gas, and associated hydrocarbons from the Codell and Niobrara Formations pursuant to Rule 318A. and notified the appropriate parties under Rule 318A.

8. 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 pool all interests in the Codell and Niobrara Formations underlying the following designated 160-acre wellbore spacing unit:

Township 4 North, Range 64 West, 6<sup>th</sup> P.M Section 7: S ½SE¼ Section 18: N½NE¼

(referred to herein as the "Wellbore Spacing Unit").

9. Applicant directionally drilled the Franklin C18-27D Well ("Well") within the designated Wellbore Spacing Unit with a surface location 475' FSL, 400' FEL of Section 7, Township 4 North, Range 64 West and bottomhole location 75' FNL, 1320' FEL of Section 18, Township 4 North, Range 64 West. A well location certificate showing the location of the Well is attached hereto.

10. <u>Exhibit A</u> attached hereto lists the interest owners for the Wellbore 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 Well. As applicable, 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. An Authority for Expenditure ("AFE") and offers to participate containing the information respecting this Well required by Commission Rule 530.b. were sent to the working interest owners more than thirty (30) days prior to the date of the hearing on this application. <u>Exhibit A</u> also lists all unleased mineral owners, if any, within the Wellbore Spacing Unit. As applicable, all unleased mineral owners (not otherwise voluntarily pooled) have been offered the opportunity to participate in the drilling of the Well described above. 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.

11. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that any of the costs specified in C.R.S. § 34-60-116(7)(b)(II) were first incurred for the drilling of the Well.

12. Notice of this Application has been provided to those parties listed on <u>Exhibit</u> <u>A</u> attached hereto.

WHEREFORE, Applicant requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

A. Pooling all interests in the Wellbore Spacing Unit for the development of the Codell and Niobrara Formations, including any future wells drilled to said Formations.

B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that any of the costs specified in C.R.S. 34-60-116(7)(b)(II) were first incurred for the drilling of the Franklin C18-27D Well.

C. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the authorized Well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof.

D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in March 2012, that notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

DATED this \_\_\_\_ day of December, 2011.

Respectfully submitted:

# NOBLE ENERGY, INC.

By:

Jamie L. Jost Elizabeth Y. Gallaway Beatty & Wozniak, P.C. Attorneys for Applicant 216 16th Street, Suite 1100 Denver, Colorado 80202 (303) 407-4499

Applicant's Address: Noble Energy, Inc. ATTN: Peggy Tremayne 1625 Broadway, Suite 2200 Denver, CO 80202

#### EXHIBIT A Interested Parties

Merit Energy Partners, LP 13727 Noel Road, Suite 500 Dallas, TX 75240

Merit Energy Partners III, LP 13727 Noel Road, Suite 500 Dallas, TX 75240

Merit Energy Partners D-III, LP 13727 Noel Road, Suite 500 Dallas, TX 75240

Richard J Adamson PO Box 48 Granby, CO 80446

Anadarko E&P Company LP PO Box 61229 Houston, TX 77208-1229

John G Baker PO Box 337302 Greeley, CO 80634

Colorado Land Services 1051 W US Highway 34 Loveland, CO 80537-9777 Attn: Adam Buna

Robert A Eckhardt and Elsie P Eckhardt 1025 Linda St Fremont Apt NW 7 Ft Morgan, CO 80701

The Farmers Reservoir & Irrigation Company 80 South 27th Avenue Brighton, CO 80601-2699

Dorothy M Frick 369 34th Ave Greeley, CO 800631 Esther A Furrow 2316 W 15th St #110 Greeley, CO 80634-6468

JSWH, L.L.C. C/O Calais Energy Acct LLC 555 17th Street, 1400 Denver, CO 80202

Meadow Oil & Gas LLC C/O Calais Energy Acct LLC 555 17th Street, 1400 Denver, CO 80202

MKL Gas & Oil, L.L.C. C/O Calais Energy Acct LLC 555 17th Street, Suite 1400 Denver, CO 80202

Our Plum, LLC C/O Margaret S Lundock, MGR P O Box 218 Lowell, FL 32663

Ann Shannon Oil & Gas LLC C/O Shannon Management Corp 3609 S Wadsworth Blvd, Suite 112 Lakewood, CO 80235

SAE Oil & Gas Company, LLC C/O Shannon Management Corp 3609 S Wadsworth Blvd, Suite 112 Lakewood, CO 80235

SEK Oil & Gas Company, LLC C/O Calais Energy Acct LLC 555 17th Street, 1400 Denver, CO 80202

Alyson Warnick 2723 D Street Sacramento, CA 95816-3217 Mary Kathryne Warnick PO Box 1499 Grand Lake, CO 80447 Phillip Warnick 7017 Virdian Ln Austin, TX 78739

Shannon Warnick 1000 Country PI #73 Houston, TX 77079

## 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 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 Noble Energy, Inc.

Subscribed and sworn to before this \_\_\_\_\_day of December, 2011.

Witness my hand and official seal.

[SEAL]

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

Notary Public

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## AFFIDAVIT OF MAILING

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STATE OF COLORADO

CITY AND COUNTY OF DENVER

Elizabeth Gallaway 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 December \_\_\_\_, 2011, 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.

Elizabeth Gallaway

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

Witness my hand and official seal.

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

Notary Public