

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 DRILLING AND SPACING)	Cause No. _____
UNITS AND ESTABLISHING WELL)	
LOCATION RULES FOR THE CODELL-)	Docket No. _____
NIOBRARA AND J-SAND FORMATIONS OF)	
CERTAIN DESCRIBED LANDS LOCATED IN)	
TOWNSHIP 7 NORTH, RANGE 64 WEST,)	
6 TH 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 80-acre drilling and spacing unit for the Codell-Niobrara Formation and a 160-acre drilling and spacing unit for the J-Sand Formation for the drilling and producing of wells for the production of oil, gas, and associated hydrocarbons from the NE $\frac{1}{4}$ of Section 12, Township 7 North, Range 64 West, 6th P.M., Weld County, Colorado. Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. Applicant holds certain leasehold interests in the following lands:

Township 7 North, Range 64 West

Section 12: E $\frac{1}{2}$ NE $\frac{1}{4}$ (80-acre drilling and spacing unit for Codell-Niobrara Formation)

Section 12: NE $\frac{1}{4}$ (160-acre drilling and spacing unit for the J-Sand Formation)

(collectively, the "Application Lands").

A reference map of the Application Lands illustrating the requested drilling and spacing units is attached hereto.

3. The Application Lands are unspaced and subject to Commission Rule 318A.
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. Rule 318A (a)(4)(C) allows an operator to designate a drilling and spacing unit not smaller than a governmental quarter-quarter section if the well is proposed to be located greater than four hundred and sixty (460) feet from the quarter quarter section boundary in which it is located. The Application Lands are subject to Rule

318A. Pursuant to Rule 318A.k., Rule 318A supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of GWA wells.

5. The Codell Bench of the Codell-Niobrara Formation in this area is defined as the stratigraphic equivalent of the interval between 6,973' to 6,986' as found in the Walcker AB 12-08 Well located in the SE/4NE/4 of Section 12, Township 7 North, Range 64 West. The Codell-Niobrara Formation is a common source of supply underlying the Application Lands.

6. The Niobrara Bench of the Codell-Niobrara Formation in this area is defined as the stratigraphic equivalent of the interval between 6,634' to 6,973' as found in the Walcker AB12-08 Well located in the SE/4NE/4 of Section 12, Township 7 North, Range 64 West. The Codell-Niobrara Formation is a common source of supply underlying the Application Lands.

7. The J-Sand Formation in this area is defined as the stratigraphic equivalent of the interval between 7,446' to 7,622' as found in the Walcker AB 12-08 Well located in the SE/4NE/4 of Section 12, Township 7 North, Range 64 West. The J-Sand Formation is a common source of supply underlying the Application Lands.

8. To promote efficient drainage within the Codell-Niobrara Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish a drilling and spacing unit of approximately 80 acres, as set forth in Paragraph 2 above.

9. To promote efficient drainage within the J-Sand Formation of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish a drilling and spacing unit of approximately 160 acres, as set forth in Paragraph 2 above.

10. Applicant has drilled, tested and completed wells in the Codell-Niobrara, and J-Sand Formations upon lands in close proximity to the Application Lands.

11. That the above-proposed drilling and spacing units will allow efficient drainage of the Codell-Niobrara, and J-Sand Formations; 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. Drilling and spacing units of the size and shape specified above are not smaller than the maximum area that can be economically and efficiently drained by the proposed well in each such drilling and spacing unit.

12. That the Applicant is requesting to drill and complete one (1) vertical well in each of the requested drilling and spacing units comprised of the Application Lands, with the option to drill and complete additional wells in the drilling and spacing units pursuant to current Commission rules and regulations (i.e. Rule 318A). The Applicant states that the wells shall be located on the surface in compliance with Rule 318A, or subject to a surface use agreement with the appropriate surface owner(s), and the treated interval of the wellbore shall be no closer than 460' from the boundaries of the applicable drilling and spacing unit. The Applicant further maintains that the proposed well will have no adverse effect on correlative rights of adjacent owners. Applicant has filed an application for pooling of the Walcker AB 12-08 Well on the Application Lands concurrently with this Application.

13. 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 consistent with Applicant's proposals as set forth above.

Dated: February ____, 2012

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: Drew Hetherington
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 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 February, 2012.

Witness my hand and official seal.

[SEAL]

My commission expires: _____

Notary Public

EXHIBIT A

INTERESTED PARTIES

Noble Energy, Inc.
ATTN: Drew Hetherington
1625 Broadway, Suite 2200
Denver, CO 80202

Chesapeake Exploration, LLC
6100 N. Western Avenue
Oklahoma City, OK 73118

OOGC America, Inc.
c/o CNOOC International Limited
Box 4705, No. 25
Chaoyangmenbei Dajie
Dongcheng District
Beijing 100010, P.R. China
(Deliver to Chesapeake at the address
above)

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

Bruce T. Barker
Weld County
P.O. Box 758
Greeley, CO 80632

Celia Greenman
Colorado Division of Wildlife
6060 Broadway
Denver, CO 80216

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AFFIDAVIT OF MAILING

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

Jamie L. Jost 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 February ____, 2012, 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.

Jamie L. Jost

Subscribed and sworn to before me on February ____, 2012.

Witness my hand and official seal.

My commission expires: _____.

Notary Public