

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE PROMULGATION)	CAUSE NO. 139
AND ESTABLISHMENT OF FIELD RULES TO)	
GOVERN OPERATIONS IN THE RULISON)	DOCKET NO. 0703-SP-09
FIELD, GARFIELD COUNTY, COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Rule 318.a. of the Rules and Regulations of the Commission requires that wells drilled in excess of two thousand five hundred (2,500) feet in depth be located not less than six hundred (600) feet from any lease line, and 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 common source of supply. The below listed lands are subject to this rule:

Township 7 South, Range 94 West, 6th P.M.
Section 5: SW¹/₄ , S¹/₂ SE¹/₄

On April 20, 1990, the Commission issued Order No. 139-16 which, among other things, established the following:

For Sections 16, 18, 19, 20, 29, 30 and 32, Township 7 South, Range 94 West, 6th P. M. one (1) well was allowed on each six hundred forty (640) acre drilling and spacing unit for the Mesaverde Group, which includes both the Williams Fork and the Iles Formations.

For Sections 16 and 18, Township 7 South, Range 94 West, 6th P. M. the permitted well was to be located in the NE¹/₄ or the SW¹/₄, no closer than 600 feet from the unit boundaries and at least 1200 feet from the nearest well producing from the same source of supply.

For Sections 19, 20, 29, 30, and 32, Township 7 South, Range 94 West, 6th P.M., the permitted well was to be located in the NW¹/₄ or the SE¹/₄, no closer than nine hundred and ninety (990) feet from the unit boundaries and, for Sections 5, 8 and 17, Township 7 South, Range 94 West, 6th P. M., a total two (2) wells were authorized to be drilled on each six hundred and forty (640) acre drilling and spacing unit for production of gas and associated hydrocarbons from the Mesaverde Formation, with the permitted well to be located no less than six hundred (600) feet from the unit boundaries and at least twelve hundred (1,200) feet from the nearest well producing from the Mesaverde Formation.

On February 21, 1995, and corrected on February 21, 2000, the Commission issued Order No. 139-28 which, among other things, allowed up to sixteen (16) wells per six hundred and forty (640) acre drilling and spacing units to be optionally drilled into and produced from the Williams Fork Formation with the permitted well to be located no closer than four hundred (400) feet from the boundaries of the unit and no closer than eight hundred (800) feet from any existing Williams Fork Formation well for the below-listed lands:

Township 7 South, Range 94 West, 6th P.M.
Section 5: All
Section 8: All

On July 1, 1997, the Commission issued Order No. 139-31 which amended Cause No. 139 in its entirety and established the optional drilling of additional wells, up to sixteen (16) wells per 640-acre drilling and spacing unit, for the production of gas and associated hydrocarbons from the Williams Fork Formation of the Mesaverde Group with the permitted well to be located no closer than four hundred (400) feet from the outer boundaries of the drilling unit and no closer than eight hundred (800) feet to any well or wells producing from the same formation. Order No. 139-31 further amended Cause No. 139 to allow the drilling of the first well in any undrilled section to be located in accordance with the above-described drilling pattern to apply to wells drilled, completed or recompleted in the Williams Fork Formation and to allow the Director of the Commission to approve exception locations if certain conditions exist.

On February 10, 2004, the Commission issued Order No. 139-43 which increased the number of wells which could be drilled into and produced from the Williams Fork Formation of

the Mesaverde Group to the equivalent of one (1) well per forty (40) acres with the permitted downhole location to be located no closer than two hundred and forty (240) feet from the boundaries of the drilling and spacing unit and no closer downhole than eight hundred (800) feet from any existing Williams Fork Formation well, without an exception being granted by the Director of the Commission, for the below-listed lands:

Township 7 South, Range 94 West, 6th P.M.
Section 30: All

On December 6, 2005, the Commission issued Order No. 139-53 which, among other things, increased the number of wells that could be drilled into and produced from the Williams Fork Formation of the Mesaverde Group to one (1) well per ten (10) acres with the permitted downhole location for each Williams Fork Formation well to be located anywhere within the unit but no closer than one hundred (100) feet from the unit boundary unless the boundary abuts or corners lands in respect of which the Commission has not at the time of the drilling permit application granted the right to drill ten (10) acre density wells, in which event the well shall be drilled downhole no closer than two hundred (200) feet from that portion of the unit boundary which so abuts or corners the lands in respect of which ten (10) acre density downhole drilling for Williams Fork Formation wells has not been ordered by the Commission, for the below-listed lands:

Township 7 South, Range 94 West, 6th P.M.
Section 19: Lot 4, SE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 29: All
Section 30: All
Section 32: All

Township 7 South Range 95 West, 6th P.M.
Section 24: Lots 14, 15, 16, 20

On April 24, 2006, the Commission issued Order No. 139-59 which among other things, established ten (10) acre downhole density for production from the Iles Formation, with the permitted well to be located no closer than one hundred (100) feet from the unit boundary and no closer than two hundred (200) feet from the unit boundary where ten (10) acre density has not been allowed. The Order also required that wells be drilled from the surface either vertically or directionally from no more than one (1) pad located on a given quarter quarter section, unless authorized by order of the Commission upon hearing, for the below-listed wells:

Township 7 South, Range 95 West, 6th P.M.
Sections 17 through 20: All
Section 30: All

On June 5, 2006, the Commission issued Order No. 139-61 which, among other things, established ten (10) acre downhole density for production from the Williams Fork Formation, with the permitted well to be located no closer than one hundred (100) feet from the unit boundary and no closer than two hundred (200) feet from the unit boundary where ten (10) acre density has not been allowed. The Order also required that wells be drilled from the surface either vertically or directionally from no more than one (1) pad located on a given quarter quarter section, unless authorized by order of the Commission upon hearing, for the below-listed lands:

Township 7 South, Range 95 West, 6th P.M.
Sections 17 through 20: All
Section 30: All

On June 5, 2006, the Commission issued Order No. 139-63 which, among other things, vacated the SW $\frac{1}{4}$, and the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 5, Township 7 South, Range 94 West, 6th P.M. from Cause No. 139 and placed the lands under the provisions of Rule 318 of the Rules and Regulations of the Commission. The Order also established a bottomhole location for the permitted well on the remaining acreage of Section 5, Township 7 South, Range 94 West, 6th P.M. (N $\frac{1}{2}$, N $\frac{1}{2}$ SE $\frac{1}{4}$) of no closer than 100 feet from the boundary line separating the SW $\frac{1}{4}$ and the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 5, Township 7 South, Range 94 West, 6th P.M.

On January 31, 2007, Noble Energy, Inc., by its attorney, filed with the Commission a verified application for an order to establish 40-acre drilling and spacing units for the below listed lands for production of gas and associated hydrocarbons from the Williams Fork and Iles Formations with the permitted well to be located no closer than 100 feet from the unit boundary,

and no closer than 200 feet from the unit boundaries where 10-acre density drilling has not been allowed, without exception bring granted by the Director of the Oil and Gas Conservation Commission. Said wells shall be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter quarter section unless exception is granted by the Director of the Oil and Gas Conservation Commission:

Township 7 South, Range 94 West, 6th P.M.
Section 5: SW¹/₄, S¹/₂ SE¹/₄
Section 8: All
Sections 17 through 20: All
Sections 29 and 30: All
Section 32: N¹/₂ N¹/₂

Township 7 South, Range 95 West, 6th P.M.
Section 24: All

Previous Orders issued by the Commission approved ten (10) acre density for the Williams Fork and Iles Formations in Sections 17, 18, 19, 20 and 30, Township 7 South, Range 94 West, 6th P.M. in previous orders. The order should allow up to one (1) Williams Fork Formation well per ten (10) acres and one (1) Iles well per ten (10) acres that can be optionally drilled into and produced from the Williams Fork and Iles Formation, with the permitted well to be located no closer than 100 feet from the unit boundary, and no closer than 200 feet from the unit boundaries where 10-acre density drilling has not been allowed, without exception bring granted by the Director of the Oil and Gas Conservation Commission. Said wells shall be drilled from the surface either vertically or directionally from no more than one pad located on a give quarter quarter section unless exception is granted by the Director of the Oil and Gas Conservation Commission on the following lands:

Township 7 South, Range 94 West, 6th P.M.
Section 5: SW¹/₄, S¹/₂ SE¹/₄
Section 8: All

Township 7 South, Range 95 West, 6th P.M.
Section 24: All

The order should also allow up to one (1) Iles Formation well per ten (10) acres that can be optionally drilled into and produced from the Williams Fork and Iles Formations, with the permitted well to be located no closer than 100 feet from the unit boundary, and no closer than 200 feet from the unit boundaries where 10-acre density drilling has not been allowed, without exception bring granted by the Director of the Oil and Gas Conservation Commission. Said wells shall be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter quarter section unless exception is granted by the Director of the Oil and Gas Conservation Commission on the following lands:

Township 7 South, Range 94 West, 6th P.M.
Section 29: All
Section 32: N¹/₂ N¹/₂

Pursuant to an agreement with Garfield County, any Commission order obtained as a result of Noble’s verified application should provide that if Noble desires to use more than one well pad per quarter quarter section on Sections 17, 18, 19, 20, and 30, Township 7 South, Range 94 West, 6th P.M., then Noble shall obtain an order from the Commission.

NOTICE IS HEREBY GIVEN, that the Oil and Gas Conservation Commission of the State of Colorado, pursuant to the above, has scheduled the above-entitled matter for hearing on:

Date: Monday, March 26, 2007
Tuesday, March 27, 2007

Time: 9:00 a.m.

Place: Suite 801, The Chancery Building
1120 Lincoln Street
Denver, Colorado 80203

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 139, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than March 12, 2007, briefly stating the basis of the protest or intervention. Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and nine (9) copies shall be filed with the Commission (Rule 503.). **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of March 12, 2007.** Pursuant to Rule 503.f., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules. In accordance with the practices of the Commission, should no protests or interventions be filed in this matter by **March 12, 2007, the Applicant may request that an administrative hearing be scheduled for the week of March 12, 2007.** In the alternative, pursuant to Rule 511.b., if the matter is uncontested, the applicant may request, and the Director may recommend approval on the basis of the merits of the verified application and the supporting exhibits.

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Patricia C. Beaver, Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, CO 80203
February 14, 2007

Attorney for Applicant:
Gregory R. Danielson
Jamie L. Jost
Davis Graham & Stubbs LLP
1550 Seventeenth Street, Suite 500
Denver, CO 80202
(303) 892-9400