

FORM NO. 505 Rev. 5/98

DAVID PADGETT

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2108



FOR COGCC USE ONLY

9/24/2007

2007116222

Date Notice Issued: OCT 24 2007

9/24/2007

RECEIVED COGCC

\*\*\* NOTICE OF ALLEGED VIOLATION \*\*\*

COGCC Operator Number: 100322
Name of Operator: NOBLE ENERGY INC
Address: 1825 BROADWAY, SUITE #2000
City: DENVER State: CO Zip: 80202
Company Representative: DAVID PADGETT

Well Name: WELLS RANCH - USX BB Well Number: 3-14 Facility Number: 202380
Location (Qtr, Sec, Twp, Rng, Meridian): SESW 3 5N 63W 6 County: WELD
API Number: 05 123 25320 00 Lease Number:

COGCC Representative: AHLSTRAND DENNIS Phone Number: 303 894-2100 X116

THE FOLLOWING ALLEGED VIOLATION WAS FOUND BY THE COGCC REPRESENTATIVE FOR THE SITE LISTED

Date of Alleged Violation: 9/17/2007 Approximate Time of Violation: 3:30PM
Description of Alleged Violation: Well was spud without an approved APD. Well was spud 9/17/2007 but permit was approved 9/21/2007. Violation was self-reported on 9/21/2007.

Act, Order, Regulation, Permit Conditions Cited: Rule 303

Abatement or Corrective Action Required to be Performed by Operator: Submit Form 5 and 5A as well as written documentation as to what happened, why it happened and what procedures have been put in place to prevent future occurrences.

Abatement or Corrective Action to be Completed by (date): 10/24/2007
\* Proper and timely abatement does not necessarily preclude the assessment of penalties and an Order Finding Violation.

TO BE COMPLETED BY OPERATOR - When alleged violation is corrected, sign this notice and return to above address:

Company Representative Name: KRYAN BRUNER Title: REGULATORY SPECIALIST
Signature: [Signature] Date: 10-24-07

Company Comments: PLEASE SEE ATTACHED

\*\*\* THIS NOTICE CONSTITUTES A SEPARATE NOTICE OF ALLEGED VIOLATION FOR EACH VIOLATION LISTED \*\*\*

WARNING
Nonpayment and reporting also triggers the initiation of alleged violations begin upon receipt of the notice of the date as it applies, whichever is earlier. Each violation must be stated within the prescribed time upon receipt of this notice, reported to the Colorado oil and gas conservation commission at the address shown above, and payment no later than the next business day after the prescribed time for abatement. Timely abatement or corrective action shall be accepted. The Director may make application to the Commission for an Order Finding Violation. Proper and timely abatement does not necessarily preclude the assessment of penalties and an Order Finding Violation.

PENALTY PROPOSED BY THE DIRECTOR PER RULE 523
The Director may propose a penalty as listed in the table below, not to exceed a maximum of \$1,000.00 per day per violation. Each proposed penalty amount will be adjusted to \$10,000.00 per violation if the violation does not result in a significant change of oil and gas production, does not affect correlative rights, or a significant adverse impact on public health, safety, or welfare. Non-proposed penalty amount may be increased if abatement factors indicate the violation was intentional or reckless; had, or threatened to have, a significant negative impact on public health, safety, or welfare; resulted in significant costs of oil and gas recovery; had a significant negative impact on correlative rights of other parties; resulted in, or threatened to result in, significant loss or damage to public or private property; involved prohibitions or restrictions upon the part of the violator; involved intentional false reporting or record keeping; resulted in economic benefits to the violator. Each proposed penalty amount may be decreased if mitigated factors indicate the violator self-reported; promptly, effectively and proactively responded to the violation; cooperated with the Commission or other agencies with respect to the violation; could not reasonably be prevented, or be responsible for, the cause of the violation; such a good faith effort to comply with applicable requirements prior to the Commission learning of the violation; had any economic benefits realized or anticipated due to the nature of the violation; such a good faith effort to comply with applicable requirements prior to the Commission learning of the violation; could not reasonably be prevented, or be responsible for, the cause of the violation; such a good faith effort to comply with applicable requirements prior to the Commission learning of the violation; had any economic benefits realized or anticipated due to the nature of the violation; had demonstrated a history of compliance with Commission rules, regulations, and orders. The Commission has final authority over the penalty amount assessed.

BASE FINE \$250.00 PER DAY PER VIOLATION RULES 210, 207, 311, 312, 313, 504, 316, 407, 408, 623, 624
BASE FINE \$500.00 PER DAY PER VIOLATION RULES 205, 206, 207, 208, 302, 303, 304, 310, 314A, 311, 322, 309, 328, 340, 341, 342, 401
BASE FINE \$750.00 PER DAY PER VIOLATION RULES 602, 603A, 626B, 607
BASE FINE \$1,000.00 PER DAY PER VIOLATION RULES 209, 301, 302, 305, 306, 314B, 317, 317A, 318, 319, 320, 321, 324, 325, 326, 337, 333, 404, 602, 603, 624, 703, 704, 705, 706, 707, 708, 709, 710, 802, 801, 802, 803, 804, 805, 902, 903, 907, 908, 909, 910, 911, 912, 1002, 1004, 1005, 1102, 1101, 1102, 1103

Signature of COGCC Representative: [Signature] Date: 9/24/2007 Time: 4:00PM
Resolution Approved by: [Signature] Date: 10-25-07

1625 Broadway  
Suite 2000  
Denver, Colorado 80202

Tel: 303.228.4000  
Fax: 303.228.4280



October 23, 2008

Colorado Oil and Gas Conservation Commission ("COGCC")  
1120 Lincoln, Suite 801  
Denver, Colorado 80203

Attention Mr. Dennis Ahlstrand

RE: Notice of Alleged Violation ("NOAV") #20119229  
Wells Ranch USX BB 3-14 API # 05 123 26320 00  
Township 5 North, Range 63 West, 6<sup>th</sup> P.M.  
Section 3: SE/4SW/4  
Weld County Colorado

Dear Mr. Ahlstrand,

This correspondence is submitted by Noble Energy, Inc, Operator # 100322, ("Noble") to provide the written documentation requested by the COGCC in regards to the NOAV referenced above.

The COGCC records will indicate that Noble has obtained Applications for Permit to Drill ("APD's") and drilled in excess of sixty (60) wells on surface owned by Wells Ranch in the past six months. Let the record also show that the surface owner is Steve Wells and he actively participates with Noble in the construction of roads, platting of locations and related activities which are prerequisite to Noble's drilling, completion and reclamation operations. Wells Ranch encompasses over 32,000 acres and has very limited internal infrastructure for main roads and well access. The incident that caused the issuance of the NOAV was a result of human error. Noble's contractor failed to confirm that Patterson #188 drilling rig had been moved onto the Wells Ranch USX BB 3-14 location (which had a pending, but unapproved APD) when the rig was scheduled to drill the Wells Ranch USX BB 3-11 (which did have a valid APD). The subject wells are approximately 1,400 feet apart on very similar terrain and are accessed from a common main service road. Please also be advised that Mr. Wells has requested that he share the blame on this NOAV as he was at fault in building roads and platting locations in advance of approved APD's and without Noble's consent. He also contacted and pleaded with Noble that no one be terminated or reprimanded for this offense as he felt very responsible for the transgression.

In the future all Noble employees, contractors and surface owners involved with preparing locations for drilling and moving drilling rigs are not allowed to move onto a location unless and until a Noble employee, using advanced GPS technology, has first confirmed in the field that GPS coordinates registered at the staked location match the GPS coordinates associated with the APD. Had this procedure been in place on or before

September 17, 2007, Noble's employees and contractors would have known immediately they were at the wrong location.

Noble regrets the actions of its contractors and the surface owner in this matter. We are confident our "GPS first policy" will eliminate this type of mistake/error in the future.

Per your request, enclosed is Noble's COGCC form 5 for the subject well as well as the Density Neutron and Cement Bond Logs. Form 5A will be submitted once the Wells Ranch USX BB 3-14 has been completed

Please feel free to contact the undersigned if you have any questions or require additional information at (303) 228-4054 or e-mail @ "dpadgett@nobleenergyinc.com"

Regards,  
NOBLE ENERGY INC.



P. David Padgett, Manager of Lands

Enclosures

Cc: Dan Kelly, Julie Acevedo, David Hobbs  
Land Well File, Drilling file,