



December 1, 2017

Mr. Matt Lepore
Director
Colorado Oil and Gas Conservation Commission
The Chancery Building
1120 Lincoln Street, Suite 801
Denver, CO 80203

RE: Noble Energy, Inc. Surface Facility Decommissioning Variance Request

Dear Director:

Rule 326.c states a mechanical integrity test shall be performed on each temporarily abandoned well within 30 days of temporarily abandoning the well. Subsequently, a mechanical integrity test shall be performed on each temporarily abandoned well on five year intervals from the date of the initial mechanical integrity test was performed, as long as the well remains temporarily abandoned.

Variance Overview

Noble Energy, Inc. ("Noble") currently operates 2,193 wells which presently are shut in due primarily to a Consent Decree between the United States, the State of Colorado, and Noble Energy, Civil Action No. 1:15-cv-00841-RBJ, entered by the U.S. District Court as a final judgement on June 2, 2015 (the "Consent Decree"). Noble is shutting in the referenced wells to meet air quality obligations under the Consent Decree.

Noble plans to remove production equipment from 1,297 production or well locations (see attached facility list) as a result of its Consent Decree compliance plan. Noble plans to plug and abandon all vertical wells associated with each of the 1,297 surface facilities they are decommissioning. Once Noble decommissions a production facility the associated wells will be temporarily abandoned ("TA") per Rule 326.c, which would trigger obligations under Rules 319.b and 326.c., including the requirement to perform a mechanical integrity test on each TA'd well.

Noble hereby requests a Rule 502.b. variance from the MIT requirement of 326.c and the annual Form 4 reporting obligation of Rule 319.b. With this variance request, Noble seeks to satisfy the prior approval requirement of Rule 319.b as to all 993 wells where Noble proposes to remove surface equipment. As to all 993 wells, Noble assures the Director that the wellbores are "cased or left in such a manner as to prevent migration of oil, gas, water or other substance from the formation or horizon in which it originally occurred," "closed to the atmosphere with a swedge and valve or packer, or other approved method" and "[t]he well sign shall remain in place." Given the scope of Noble's decommissioning and plugging and abandoning projects and limits to workover rig availability, Noble simply could not comply with the requirements of Rules 319.b and 326.c within the timeframes established by the Rules. Removing the surface facilities will result in a diminished risk of harm to public health, safety, and welfare, including protection of the environment and wildlife resources. Accordingly, Noble believes the requested variance does not violate the basic intent of the Oil and Gas Conservation Act.

While this variance request deals primarily with the removal of surface equipment and the associated requirement to perform MITs, Noble is separately working with COGCC Staff to seek approval of a proposed Alternative Well Integrity Monitoring Program and a High Pressure Well P&A Plan for shut-in and temporarily abandoned wells, primarily due to Noble's Consent Decree and which will be separately submitted to the Commission soon for its consideration. Generally, those plans include regular or continuous Bradenhead monitoring, wellbore integrity analysis, submission of Form 17s documenting fully compliant Bradenhead testing (with sampling and analysis, where appropriate), regular meetings with COGCC Staff, and an aggressive plugging schedule.

The attached Spreadsheet presents each surface facility location to be decommissioned by identifying the associated well(s) number, name, location, shut-in date, whether the well is a Consent Decree well or not, the MIT due date, Form 4 filing status, and Form 4 Sundry document number.

Variance Interim Protection Measures

Noble will take the following environmental protection measures prior to removing surface equipment during its facility decommissioning process:

- Lock and tag out all wellheads associated with the facility More specifically Noble will:
 - Lock out the master valve and casing valve; and,
 - Indicate the well is shut in by placing an orange tag on it that provides a reason for the shut in status (e.g. facility decommissioned and whether it is a CD well or not).
- Decommission and remove all equipment at the production facility.
- Per Rule 1103, for wellhead flowlines that run from the wellhead to the facility, Noble will abandon the flowline in place by:
 - disconnecting all sources and supplies of natural gas and petroleum,
 - purging all liquid hydrocarbons,
 - depleting the flowlines to atmospheric pressure,
 - cutting off the line three (3) feet below ground surface, or the depth of the pipeline, whichever is less, and sealing both ends of the line with no less than 2 feet of cement.
- Dig up and remove on pad flowlines from the location or in some situations when it is not possible to remove the flowlines Noble will abandon in place in the same manner as the wellhead flowlines.
- Submit a Form 4, Sundry Notice, indicating the facility has been removed.
- Document the decommissioning of the facility in Noble's Generwell system and update the tracking spreadsheet that will be shared and reviewed quarterly with the COGCC. Include the Form 4 submittal date and document number in the tracking spreadsheet.
- Monitor Bradenhead pressure consistent with Noble Energy Alternative Well Integrity Monitoring Program
- Complete reclamation activities for the facility location pursuant to all 1000 series reclamation rules.
- Conduct monthly inspections of the wellheads until the plugging and abandoning activities are completed.

The following picture portrays how the wellhead will look with the lock and tag following the facility decommissioning.



Please contact Kate Fay, Environmental & Regulatory Policy Manager, Noble Energy, Inc. if you have any questions about this variance request. She can be reached at 303.910.2830 or kate.fay@nblenergy.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott R. Park". The signature is stylized with a large "S" and "P".

Scott R. Park
DJBU EHSR Manager