

Land Department

October 29, 2012

Shable Homestead, LLC.  
12705 Highway 60  
Milliken, Colorado 80543

**Re: Request for Rule 502.b. Variance from Order No. 535-3**

**SHABLE LB32-68HN**

Township 9 North, Range 60 West, 6<sup>th</sup> P.M.

Surface: Section 33, Township 9 North, Range 60 West, 6<sup>th</sup> P.M.

Bottomhole: Section 32, Township 9 North, Range 60 West, 6<sup>th</sup> P.M.

Weld County, Colorado ("Subject Lands")

Dear Mr. Shable:

Please be advised that Noble Energy, Inc. ("Noble") intends to horizontally drill the SHABLE LB32-68HN Well ("Well") with a surface hole location of 288 feet FNL, and 250 feet FWL in the NW/4NW/4 of Section 33, Township 9 North, Range 60 West, 6<sup>th</sup> P.M. and a bottomhole location of 660 feet FNL, and 660 feet FWL in the NW/4NW/4 of Section 32, Township 9 North, Range 60 West, 6<sup>th</sup> P.M., Weld County, Colorado. Noble owns a majority leasehold interest in the Subject Lands and will operate the Well.


Noble seeks a Rule 502.b. variance from Colorado Oil and Gas Conservation Commission ("COGCC") Order No. 535-3 (approved on 2/22/2011) which established a 640 acre drilling and spacing unit for the Subject Lands, among others, and allowed for one (1) horizontal well to be drilled for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation. Order No. 535-3 also allowed the surface location for any permitted horizontal well to be located anywhere *within* the designated drilling and spacing unit.

Noble seeks to locate the surface location of the Well on the Subject Lands at a location outside of the 640-acre drilling and spacing unit established by Order No. 535-3. The detailed surface location is illustrated on the attached Well Location Certificate. Noble will certify to the COGCC that there is an executed Surface Use Agreement on the above-referenced surface location on the Subject Lands.

The purpose of this letter is to notify you of Noble's variance request for the Well surface location matter and to request a waiver and/or consent from you, as a surface owner where the wellhead and related production facilities are located outside of the 640 acre drilling and spacing unit established by Order No. 535-3 for the Subject Lands. It is requested that you sign and return this letter/waiver in the enclosed envelope to my attention within twenty (20) days of the date of this letter. If we have received your executed response to this letter, or if we have not heard from you within twenty (20) days, Noble will continue to proceed with the requested variance pursuant to Commission Rule 502.b.

If you have any questions regarding this matter, please contact the undersigned at (970) 304-5000. Thank you in advance for your cooperation.

Sincerely,



Nate McCorkell  
Noble Energy, Inc.

Shable Homestead, LLC., as the owner of all or a portion of the surface estate on the Subject Lands, waive any objection to the aforementioned surface location of the Well and hereby consent to allow the surface location of the Well to be located outside of 640-acre drilling and spacing unit established in Order No. 535-3.



Name: **Duane A. Shable**

Title (if applicable): Manager

Date: 11-1-12