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February 22, 2019

**VIA EMAIL**

Acting Director Jeff Robbins  
Colorado Oil and Gas Conservation Commission  
1120 Lincoln Street - Suite 801  
Denver, Colorado 80203

Re: Noble Energy, Inc.'s Rule 303.j. Complaint and Request for the Director to Permanently Withhold Approval of Confluence DJ LLC Form 2 Applications for Permits to Drill and associated Form 2A to drill twenty-seven (27) "Almont" Wells in Weld County, Colorado

Dear Acting Director Robbins:

Noble Energy, Inc. ("Noble"), by its attorneys Burns, Figa & Will, P.C., hereby files this Complaint pursuant to Commission Rule 303.j. against Confluence DJ LLC's ("Confluence") twenty-seven (27) Form 2 Applications for Permits to Drill the "Almont" wells described below ("Almont APDs") and associated Form 2A Oil and Gas Location Assessment proposing the development and operation of the Codell and Niobrara Formations within Sections 4 and 5, Township 7 North, Range 64 West, 6th P.M. (hereinafter the "Subject Lands"). A reference map of the Subject Lands showing the producing wells is attached and made a part hereto as Exhibit 1.

On or around February 26, February 27, and February 28, 2018, Confluence submitted the following 27 Almont APDs:

Well Name	Document Number	Formation
Almont 5-1-1L	401554410	Niobrara
Almont 5-1-3L	401557051	Niobrara
Almont 5-1-4L	401554416	Codell
Almont 5-2-2L	401554879	Niobrara
Almont 5-3-1L	401554955	Niobrara
Almont 5-3-3L	401557147	Niobrara
Almont 5-2-4L	401555539	Codell

Well Name	Document Number	Formation
Almont 5-4-2L	401555740	Niobrara
Almont 5-5-1L	401555936	Niobrara
Almont 5-5-3L	401557213	Niobrara
Almont 5-6-2L	401556028	Niobrara
Almont 5-3-4L	401556637	Niobrara
Almont 5-7-1L	401556732	Niobrara
Almont 5-7-3L	401557282	Niobrara
Almont 5-8-2L	401556795	Niobrara
Almont 5-4-4L	401556857	Codell
Almont 5-9-1L	401556908	Niobrara
Almont 5-9-3L	401557877	Niobrara
Almont 5-10-2L	401557024	Niobrara
Almont 5-11-1L	401557279	Niobrara
Almont 5-11-3L	401558046	Niobrara
Almont 5-5-4L	401557579	Codell
Almont 5-12-2L	401557647	Niobrara
Almont 5-13-1L	401557005	Niobrara
Almont 5-13-3L	401558423	Niobrara
Almont 5-14-2L	401556890	Niobrara
Almont 5-6-4L	401558594	Codell

On April 10 and April 11, 2018, Confluence submitted two Form 2A Oil and Gas Location Assessments: (1) Almont-dotsero 6 North, Document No. 401548872, for a new location located in the NENE of Section 6, Township 7 North, Range 64 West, Weld County, Colorado ("North Almont Pad"), and (2) Almont-dotsero 6 South, Document No. 401549059, for a new location

located in the NESE of Section 6, Township 7 North, Range 64 West, Weld County, Colorado ("South Almont Pad") (together "North and South Almont Pads").

The Almont APDs posted to the COGCC website between March 6, 2018 and March 7, 2018, and are currently "in process" with the Commission. Almont North and Almont-South posted to the COGCC website on November 11, 2018 and November 19, 2018, and are currently "approved" with the Commission. The Almont APDs are attached and made a part hereto as Exhibit 3. The North and South Almont Pads Form 2As are attached and made a part hereto as Exhibit 4.

Commission Rule 303.j. provides that any party with standing under Rule 522.a.(1) may file a Complaint with the Commission requesting that the Director withhold approval of any Application for Permit to Drill, Form 2, or Oil and Gas Location Assessment, Form 2A for any proposed well or Oil and Gas Location when based on information supplied, the proposed well or location is in material violation of the Commission rules, regulation, orders or statutes, or otherwise presents an imminent threat to public health, safety, and welfare. Commission Rule 522 was amended in 2014 and in 2019. The prior version included Rule 522.a.(1), which provided that a complaint may be filed "by any other person who may be directly and adversely affected or aggrieved as a result of the alleged violation." The current version includes Rule 522.b.(1).E., which provides that a complaint may be filed by "[a]ny person who may be directly and adversely affected or aggrieved as a result of the alleged violation and whose interest is entitled to legal protection under the Act." Under both versions of Rule 522, Noble has standing to file this Complaint.

#### **I. Background and Procedural History.**

1. On August 15, 2010, Noble spud the Dillard USX AB #05-99HZ Well (API No. 05-123-31254) for development of the Niobrara Formation in Section 5, Township 7 North, Range 64 West, 6<sup>th</sup> P.M. The Dillard USX AB #05-99HZ Well is currently producing from the Niobrara Formation within 640-acres of 100% Noble leasehold. See Exhibit 1.

2. On February 27, 2018, Confluence filed an application with the Commission in Docket No. 180400305 for an order to, among other things, (1) establish an approximate 1,280-acre drilling and spacing unit for the Subject Lands and approve up to 27 horizontal wells in the proposed unit for production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations, (2) require the productive interval of the wellbore of any permitted wells in the unit to be located no closer than 460 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in the unit, (3) provide that the wells shall be drilled on a maximum of 2 well pads within the unit subject to Rule 318A or on

adjacent lands, unless an exception is granted by the Director, and (4) maintain allocation of proceeds from any existing wells located within the proposed unit and producing from the Codell and/or Niobrara Formations, on the following Subject Lands:

Township 7 North, Range 64 West, 6th P.M.

Section 4: All

Section 5: All

Weld County, Colorado, containing approximately 1,280 acres. ("Lands")

3. On April 16, 2018, Noble filed a Protest to Confluence's application in Docket No. 180400305 as the 100% "Owner" (as defined by the Oil and Gas Conservation Act (the "Act")) of Section 5 of the Subject Lands and as the majority working interest in the Application Lands, and as the Operator of the Dillard USX AB #05-99HZ producing horizontal wells from Niobrara Formation within the Application Lands. Noble's Protest was based on harm to its correlative rights as the majority leasehold owner within the proposed unit, waste, and inefficient and uneconomic development that would result should Confluence's proposed unit be approved. Noble's leasehold ownership is further depicted on Exhibit 2 attached and made a part hereto.

4. On January 29, 2019, Confluence and Noble participated in a lengthy contested hearing before the Commission in Docket No. 180400305. Following the presentation of testimony and exhibits by the Parties, the Commission deliberated and voted 7 to 0 to approve Confluence application for a 1,280-acre drilling and spacing unit for the Subject Lands over Noble's Protest (Order No. Pending).

5. During Commission deliberation in Docket No. 180400305, the Commissioners acknowledged and found that harm to Noble's correlative rights would result by the approval of Confluence's application to establish an approximate 1,280-acre drilling and spacing unit for the Subject Lands. Despite the finding of harm to Noble's correlative rights in violation of the Oil and Gas Conservation Act, the drilling and spacing unit was approved.

## **II. Noble's Standing and Objection.**

1. Noble, as the 100% leasehold owner in Section 5 and as the majority working interest in Confluence's proposed DSU, where the Almont APDs and North and South Almont Pads are located, has interests subject to legal protection under the Act and has been and will continue to be adversely affected and aggrieved should the Commission approve the Almont APDs and North and South Almont Pads. See Exhibit 2.

2. Confluence's Almont APDs and North and South Almont Pads are in material violation of the Act due to the unequivocal and irreversible harm to Noble's correlative rights that would result upon the drilling of the Almont APDs. In addition, development of the Almont APDs by Confluence will result in the irreparable destruction of Noble's producing Dillard USX AB #05-99HZ well, creating waste, inefficient and uneconomic development, and harm to Noble's correlative rights in violation of the Act. If the Almont APDs and North and South Almont Pads are approved, Noble will be immediately adversely affected and aggrieved.

3. Further, approval of Confluence's Almont APDs and North and South Almont Pads will prohibit Noble from continuing its efficient, economic and cohesive development of its 100% leasehold interest in Section 5 of the Lands. Noble's existing and economic development within Section 5 complies with the mandates of the Act, and Noble's correlative rights will be harmed by Confluence's development of the Almont APDs from the North and South Almont Pads. Noble believes its plans stand a greater chance of full drilling of the Lands based on its development scale and Confluence's doubtful finances and slim drilling history.

4. Pursuant to C.R.S. 34-60-117(1), the Commission has the authority to prevent waste and protect correlative rights of all owners in every field or pool and, when necessary, shall limit the production of oil and gas in any field or pool in exercise of this authority.

5. Confluence's Almont APDs and North and South Almont Pads will create waste by irreparably damaging Noble's existing economic development within its 100% leasehold interest in Section 5, Township 7 North, Range 64 West, 6th P.M. Confluence's Almont APDs and North and South Almont Pads will harm Noble's correlative rights by being developed within a 1,280-acre unit that includes Sections 4 and 5, Township 7 North, Range 64 West, 6th P.M. Confluence's Almont APDs and North and South Almont Pads will not result in the efficient and economic development of the Lands.

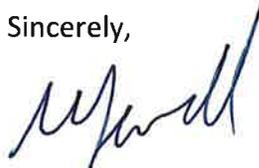
6. For the foregoing reasons, Confluence's Almont APDs and North and South Almont Pads are in material violation of the Act and the Director must permanently withhold approval of the Almont APDs and the North and South Almont Pads.

Now, therefore, for the reasons set forth herein, Noble respectfully requests that the Director permanently withhold approval of Confluence's Almont APDs and North and South Almont Pads, find that the Almont APDs and North and South Almont Pads are in material violation of the Act by creating waste, harming correlative rights, and resulting in the inefficient and uneconomic development of Sections 4 and 5, Township 7 North, Range 64 West, 6<sup>th</sup> P.M., and deny the

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Almont APDs and North and South Almont Pads on this basis and pursuant to Rule 303.j. Please do not hesitate to contact the undersigned counsel with any questions regarding this Complaint.

Sincerely,



Michael T. Jewell  
Attorney for Noble Energy, Inc.

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