

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

RECEIVED
JAN 31 07
COGCC

IN THE MATTER OF THE APPLICATION)
OF NOBLE ENERGY INC. FOR AN)
ORDER ESTABLISHING SPACING)
RULES APPLICABLE TO THE DRILLING)
AND PRODUCING OF WELLS FROM)
THE ILES AND WILLIAMS FORK)
FORMATIONS OF THE MESAVERDE)
GROUP IN THE RULISON FIELD)
COVERING CERTAIN LANDS LOCATED)
IN GARFIELD COUNTY, COLORADO)

CAUSE NO 139
DOCKET NO. _____ -



ORIGINAL

VERIFIED APPLICATION

COMES NOW the Applicant, Noble Energy Inc ("Noble"), by and through its attorneys, Davis Graham & Stubbs LLP, and makes application to the Oil and Gas Conservation Commission ("Commission") of the State of Colorado for an order establishing spacing rules applicable to the drilling and producing of wells from the Williams Fork and Iles formations of the Mesaverde group covering certain lands located in Garfield County, Colorado, and in support of its application states and alleges as follows

1. The Applicant is a corporation duly authorized to conduct business in the State of Colorado.

APPLICATION LANDS

2 Applicant owns legal and equitable interests in oil and gas leases covering the following described lands located in Garfield County, Colorado, hereafter referred to as "Application Lands"

Township 7 South, Range 94 West, 6th P M
Section 5 SW¹/₄ , S¹/₂SE¹/₄
Section 8 All
Section 17 All
Section 18 All
Section 19 All
Section 20 All

Section 29: All
Section 30 All
Section 32 N½ N½

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

See Exhibit B attached hereto.

3. Applicant obtained consent from Joan Savage and Savage Resources, LLC for the spacing and density requests set forth herein that will be applied to Joan Savage and Savage Resources, LLC's mineral interests in certain parcels of Sections 5, 8, 17, 19, 29, 30, and 32, T7S, R94W and Section 24, T7S R95W of the Application Lands

APPLICABLE COMMISSION RULES AND ORDERS

4 A portion of the Application Lands are unspaced and are subject to the Commission's Rule 318 a These lands are described as follows

Township 7 South, Range 94 West, 6th P.M
Section 5 SW¼, S½SE¼¹

5 The Application Lands are subject to the Commission's Order Nos 139-16, 139-28, 139-31, 139-43, 139-53, 139-59, 139-61, and 139-63 *See Exhibit C attached hereto.* The Application Lands are subject to the aforementioned orders as follows:

- a Section 5 (SW¼, S½SE¼), T7S, R94W. Order Nos. 139-16, 139-28, and 139-63
- b Section 8, T7S, R94W. Order Nos. 139-16, 139-28
- c Section 17, T7S, R94W Order Nos 139-16, 139-31, 139-59 and 139-61
- d Section 18, T7S, R94W Order Nos 139-16, 139-59 and 139-61

¹ These Application Lands, however, are subject to Commission Order Nos 139-16, 139-28 and 139-63 with respect to density drilling

- e. Section 19, T7S, R94W Order Nos 139-16, 139-53, 139-59, and 139-61.
- f. Section 20, T7S, R94W: Order Nos. 139-16, 139-59 and 139-61
- g. Section 29, T7S, R94W Order Nos 139-16 and 139-53.
- h. Section 30, T7S, R94W: Order Nos. 139-16, 139-43, 139-53, 139-59 and 139-61
- i. Section 32 (N½N½), T7S, R94W: Order Nos 139-16 and 139-53
- j. Section 24, T7S, R95W. Order Nos 139-16 and 139-53

6 Order No. 139-16 established that, pursuant to Order No 139-3 and 139-2 and with respect to Sections 16, 18, 19, 20, 29, 30 and 32, T7S, R94W, there was to be one (1) well per six hundred and forty (640) acres on the Mesaverde group, which includes both the Williams Fork and the Iles formations Order No 139-16 further established that (i) for Sections 16 and 18, T7S, R94W, the wells were to be located in the NE¼ or the SW¼ no less than 600 feet from the unit boundaries and at least 1200 feet from the nearest well producing from the same source of supply, (ii) for Sections 19, 20, 29, 30, and 32, T7S, R94W, the wells were to be located in the NW¼ or the SE¼ and was to be no less than nine hundred and ninety (990) feet from the unit boundaries and, (iii) for Sections 5, 8 and 17, T7S, R94W, a total two (2) wells were authorized to be drilled for each six hundred and forty (640) acre drilling and spacing unit for production of gas and associated hydrocarbons from the Mesaverde formation and that wells were 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

7. Order No 139-28 established that for Sections 5 and 8, T7S, R94W of the Application Lands there was to be sixteen (16) wells per six hundred and forty (640) acres that were to be optionally drilled into and produced from the Williams Fork formation with the permitted

well to be 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 well

8 Order No 139-31 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

9 Order No 139-43 increased the number of wells which could be drilled into and produced on Section 30, T7S, R94W of the Application Lands 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 well, without an exception being granted by the Director of the Commission

10 Order No 139-53 increased the number of wells that could be drilled into and produced on Sections 19, 29, 30 and 32, T7S, R94W and Section 24, T7S, R95W of the Application Lands from the Williams Fork formation of the Mesaverde group to one (1) well per ten (10) acres and, among other things, permitted downhole locations for each Williams Fork 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 wells has not been ordered by the Commission

11. Order No. 139-59 established, among other things, ten (10) acre density for production on Sections 17, 18, 19, 20, and 30 of the Application Lands 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 were ten (10) acre density has not been allowed Order No 139-59 also established that wells to be drilled would be 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.

12 Order No 139-61 established, among other things, ten (10) acre density for production Sections 17, 18, 19, 20, and 30 of the Application Lands 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 were ten (10) acre density has not been allowed Order No 139-59 also established that wells to be drilled would be 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

13 Order No 139-63 vacated the SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 5, T7S, R94W of the Application Lands from Cause No 139 and placed such lands under the provisions of Rule 318 of the Rules and Regulations of the Commission. Order No 139-63 also established a bottomhole location of the permitted well on the remaining acreage of Section 5, T7S, R94W (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 $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 5, T7S, R94W

APPLICANT'S REQUEST

14 To promote the efficient drainage of the Williams Fork and Iles formations of the Mesaverde group, Applicant requests that the Commission establish forty (40) acre drilling and spacing units for the Williams Fork and Iles formations as to all of the Application Lands

Township 7 South, Range 94 West, 6th P M

Section 5: SW¹/₄ , S¹/₂SE¹/₄

Section 8. All

Section 17 All

Section 18. All

Section 19 All

Section 20 All

Section 29 All

Section 30. All

Section 32: N¹/₂ N¹/₂

Township 7 South, Range 95 West, 6th P.M

Section 24: All

15 The Commission approved ten (10) acre density for the Williams Fork and Iles formations of Sections 17, 18, 19, 20 and 30, T7S, R94W in previous orders To promote the efficient drainage of the Williams Fork and Iles formations of the Mesaverde group, Applicant requests that the Commission continue with the establishment of up to one (1) Williams Fork 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 formations on the following Application Lands.

Township 7 South, Range 94 West, 6th P M.

Section 5: SW¹/₄ , S¹/₂SE¹/₄

Section 8 All

Township 7 South, Range 95 West, 6th P.M.

Section 24 All²

Applicant does not intend by this Application to drill more than four (4) Williams Fork and Iles wells downhole per government quarter quarter section

² Presco, Inc. obtained Order No 139-53 which established ten (10) acre density for Lots 14, 15, 16 and 20 of Section 29, T7S, R94W for the Williams Fork formation Applicant requests that the Commission establish ten (10) acre density for the entire parcel of Section 29, T7S, R94W for the Williams Fork and Iles formations

16. To promote the efficient drainage of the Iles formations of the Mesaverde group, Applicant requests that the Commission allow up to one (1) Iles well per ten (10) acres that can be optionally drilled into and produced from the Williams Fork and Iles formations on the following Application Lands:

Township 7 South, Range 94 West, 6th P M.
Section 29. All
Section 32. N $\frac{1}{2}$ N $\frac{1}{2}$

Applicant does not intend by this Application to drill more than four (4) Williams Fork and Iles wells downhole per government quarter quarter section.

17 As to all future Williams Fork and Iles wells to be drilled upon all of the Application Lands, the wells may be located downhole 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 Iles wells has not been ordered by the Commission.

18 Applicant commits that the Williams Fork and Iles wells to be drilled on all of the Application Lands will on average, if topographically feasible throughout all of the Application Lands, be drilled from the surface either vertically or directionally from the same pad and no more than one (1) pad located on a given quarter quarter section, unless exception is granted by the Director of the Commission

19 Pursuant to a request from Garfield County, if Applicant desires to use more than one well pad per quarter quarter section on Sections 17, 18, 19, 20, and 30, T7S, R94W of the Application Lands, then it must obtain an order from the Commission. This request shall apply

to Sections 17, 18, 19, 20, and 30, T7S, R94W of the Application Lands upon the outcome of this Application

CONCLUSION

20. The proposed spacing and well location rules for the above-referenced Application Lands will allow more efficient drainage of the Williams Fork and Iles formations of the Mesaverde group, will prevent waste, will not adversely affect correlative rights, and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs

21 The names and address of the interested parties as to each Tract of the Application Lands according to the information and belief of the Applicant are also set forth in Exhibit A attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing by the Commission; that notice be given as required by law, and that upon such hearing the Commission enter its Order consistent with the Applicant's proposals as set forth above

Dated this 31st day of January, 2007.

Respectfully submitted,

NOBLE ENERGY INC

By Jamie L. Jost

Gregory R. Danielson
Jamie L. Jost
Davis Graham & Stubbs LLP
Attorneys for Applicant
1550 Seventeenth Street, Suite 500
Denver, Colorado 80202
Telephone (303) 892-7438

Applicant's Address

Noble Energy Inc
1625 Broadway, Suite 2000
Denver, Colorado 80202

STATE OF COLORADO)
) ss
COUNTY OF DENVER)

VERIFICATION

The undersigned, Robin Hill-Richardson, being first duly sworn upon oath, states

1 I am the Senior Landman for Noble Energy Inc. and am personally familiar with the matters set forth in the foregoing Verified Application

2 I have read the Verified Application and the facts contained therein are true and correct to the best of my knowledge, information and belief


Robin Hill-Richardson, Senior Landman
Noble Energy, Inc

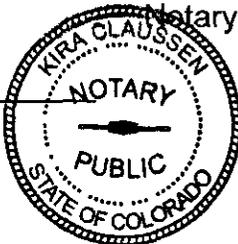
Subscribed and sworn to before me this 31 day of JANUARY, 2007, by
ROBIN HILL-RICHARDSON

Witness my hand and official seal



Notary Public

My commission expires



My Commission Expires Sept 20, 2009

EXHIBIT A

To Verified Application of Noble Energy, Inc

Harry Hoag
11129 Mildred St., Apt 5
El Monte, CA 91713

Petrogulf Corporation
Suite 1435
518 – 17th Street
Denver, Colorado 80202

United States Department of the Interior
Bureau of Land Management
2850 Youngfield Street
Lakewood, Colorado 80215

Joan L. Savage
5953 County Road 320
Rifle, CO 81650

Savage Resources LLC
910 16th Street, Suite 201
Denver, CO 80202

Elna Sefcovic
625 27 1/2 Road, #159E
Grand Junction, CO 81506

Presco, Inc
10200 Grogan's Mill Road, Suite 520
Woodlands, TX 77380

Harold Bumguardner & Kay Bumguardner
415 RBC 26 Road
Rifle, CO. 81650

Ralph Long
7225 S Pennsylvania
Denver, CO. 80122

Mary Lou Tornton
1653 S. Sossaman Road
Mesa, AZ 85208

Richard Hoad
400 N. Osborn Ave.
West Covina, CA 91790

Jesse Smith
Garfield County
144 E 3rd Street, Suite 203
Rifle, CO 81650

United States
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2850 Youngfield Street
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GROUP IN THE RULISON FIELD)
COVERING CERTAIN LANDS LOCATED)
IN GARFIELD COUNTY, COLORADO)

CAUSE NO. 139
DOCKET NO. _____ -

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 31st day of January, 2007, a true and correct copy of the attached Application of Noble Energy, Inc. for an order establishing spacing rules applicable to the drilling and producing of wells from the Williams Fork and Iles formations of the Mesaverde group covering certain lands located in Garfield County, Colorado, was served by depositing the same in the United States mail, first class postage prepaid, addressed as follows:

Harry Hoag
11129 Mildred St., Apt. 5
El Monte, CA. 91713

Petrogulf Corporation
Suite 1435
518 – 17th Street
Denver, Colorado 80202

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Garfield County
144 E.3rd Street, Suite 203
Rifle, CO 81650

Lakewood, CO 80215

United States
Department of the Interior
Bureau of Land Management
2850 Youngfield Street

DATED this 31st day of January, 2007

Respectfully submitted,

NOBLE ENERGY INC

By. Jamie L. Jost

Gregory R. Danielson
Jamie L. Jost
Davis Graham & Stubbs LLP
Attorneys for Applicant
1550 Seventeenth Street, Suite 500
Denver, Colorado 80202
Telephone (303) 892-7438

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LIST OF PARTIES

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Dated this 31st day of January, 2007

By Jamie L. Jost

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Jamie L. Jost
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1550 Seventeenth Street, Ste 500
Denver, CO 80202
Telephone (303) 892-9400
Facsimile (303) 893-1379



Davis Graham & Stubbs LLP

RECEIVED

JAN 31 07

COGCC

January 31, 2007

VIA HAND DELIVERY

Colorado Oil and Gas Conservation Commission
ATTN: Patricia Beaver
The Chancery Building
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

Re: Noble Energy, Inc.'s Verified Application and corresponding documents - Cause No. 139, Garfield County, Colorado, Rulison Field, Mesaverde Formation

Dear Patricia

Enclosed with this letter are the following documents submitted by Noble Energy, Inc for the Colorado Oil and Gas Conversation Commission's March 2007 docket

1. An original plus nine copies of Noble Energy, Inc.'s Verified Application which includes the required Verification of Application and reference map;
2. An original Certificate of Mailing,
3. An original List of Parties, and
4. An original draft Hearing Notice

These documents will also be submitted to Margaret Humeckı via email as required by the Commission's January 26, 2007 Process to Prepare and Submit Hearing Applications.

If you have any questions, please do not hesitate to contact me. Thank you

Jamie L. Jost 303 892 7459 jamie.jost@dgsllaw.com

Colorado Oil and Gas Conservation Commission
January 31, 2007
Page 2

Sincerely,

A handwritten signature in black ink that reads "Jamie L. Jost". The signature is written in a cursive style with a large, stylized "J" at the beginning.

Jamie L. Jost

for

DAVIS GRAHAM & STUBBS LLP

JLJ/bb

Enclosures

cc. Robin Richardson – Noble Energy, Inc