

BEFORE THE OIL AND GAS CONSERVATION COMMISSION

OF THE STATE OF COLORADO

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 COVERING CERTAIN LANDS)
LOCATED IN GARFIELD AND MESA)
COUNTIES, COLORADO)

CAUSE NO. _____
ORDER NO. _____ -

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 (1) 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 and Mesa Counties, Colorado, and (2) clarification on matters pertaining to certain lands located in Garfield and Mesa Counties, Colorado. In support of its application, Noble 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 and Mesa Counties, Colorado, hereafter referred to as “Application Lands”:

Township 8 South, Range 95 West, 6th P.M.
Section 18: W/2NESE
Resurvey Tract 38
Resurvey Tract 39

Township 7 South, Range 95 West, 6th P.M.
Section 32: S/2N/2, S/2

UNSPACED APPLICATION LANDS

3. A portion of the Application Lands have never been subject to a spacing order and are subject to the Commission's Rule 318(a). These lands are described as follows ("Unspaced Application Lands"):

Township 8 South, Range 95 West, 6th P.M.
Section 18: W/2NESE
Resurvey Tract 38
Resurvey Tract 39

4. To promote the efficient drainage of the Williams Fork and Iles formations of the Mesaverde group as to the Unspaced Application Lands, Applicant requests that the Commission establish forty (40) acre drilling and spacing units for the Williams Fork and Iles formations. Applicant further requests that as to each such drilling and spacing unit, the Commission allow up to one (1) Williams Fork or Iles well per ten (10) acres which can be optionally drilled into and produced from the Williams Fork and Iles formations of the Mesaverde group.

5. As to all future Williams Fork and Iles wells to be drilled on the Unspaced Application Lands, Applicant requests that the Commission permit the wells to be located downhole anywhere in the drilling and spacing unit but no closer than one hundred (100) feet from the boundaries of the unit, without exception being granted by the Director of the Commission. If there are cases where the Unspaced Application Lands abut or corner lands that the Commission has not at the time of drilling permit application granted the right to drill ten (10) acre density Williams Fork and Iles wells, the Applicant requests that the wells be located downhole no closer than two hundred (200) feet from the boundaries of the drilling unit so abutting or cornering such lands, without exception being granted by the Director of the

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

6. Applicant commits that the Williams Fork and Iles wells to be drilled on the Unspaced Application Lands will on average, if topographically feasible throughout the Unspaced 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 spacing unit, unless exception is granted by the Director of the Commission.

7. The proposed spacing and well location rules for the Unspaced 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.

8. The names and address of the interested parties as to each Tract of the Unspaced 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.

SECTION 32 APPLICATION LANDS

9. A portion of the Application Lands were subject to Order Nos. 139-16, 139-31 and 440-18 which established six hundred and forty (640) acre drilling and spacing units on the following lands:

Township 7 South, Range 95 West, 6th P.M.
Section 32: S/2N/2, S/2

These lands shall be referred to as the "Section 32 Application Lands."

10. On March 6, 2006, Noble Energy, Inc. filed an Application requesting that the Commission permit ten (10) acre density drilling for the Williams Fork and Iles formations

within the existing six hundred forty (640) acre spacing unit covering the Section 32 Application Lands.

11. On January 30, 2006, EnCana Oil & Gas (USA), Inc. filed a Verified Application for an order to vacate the existing six hundred and forty (640) acre drilling and spacing unit on the Section 32 Application Lands and to establish a one hundred and sixty (160) acre drilling and spacing unit on the N/2N/2 of Section 32, Township 7 South, Range 95 West. The Commission has entered an Order vacating the six hundred and forty (640) acre drilling and spacing unit on Section 32, Township 7 South, Range 95 West and established one hundred and sixty (160) acre spacing for only the N/2N/2 of Section 32. As such, the remainder of the lands on Section 32, Township 7 South, Range 95 West are unspaced and subject to the Commission's Rule 318(a).

12. To promote the efficient drainage of the Williams Fork and Iles formations of the Mesaverde group as to the Section 32 Application Lands, Applicant requests that the Commission establish forty (40) acre drilling and spacing units for the Williams Fork and Iles formations. Applicant further requests that as to each such drilling and spacing unit, the Commission allow up to one (1) Williams Fork or Iles well per ten (10) acres which can be optionally drilled into and produced from the Williams Fork and Iles formations of the Mesaverde group.

13. As to all future Williams Fork and Iles wells to be drilled upon the Section 32 Application Lands, Applicant requests that the Commission permit the wells to be located downhole anywhere in the drilling and spacing unit but no closer than one hundred (100) feet from the boundaries of the unit, without exception being granted by the Director of the Commission. If there are cases where the Section 32 Application Lands abut or corner lands that the Commission has not at the time of drilling permit application granted the right to drill

ten (10) acre density Williams Fork and Iles wells, the Applicant requests that the wells be located downhole no closer than two hundred (200) feet from the boundaries of the drilling unit so abutting or cornering such lands, without exception being granted by the Director of the Commission. Applicant does not intend by this Application to drill more than four (4) Williams Fork and Iles wells downhole per government quarter quarter section.

14. Applicant commits that the Williams Fork and Iles wells to be drilled on the Section 32 Application Lands will on average, if topographically feasible throughout the Section 32 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 spacing unit, unless exception is granted by the Director of the Commission.

15. The proposed spacing and well location rules for the Section 32 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.

16. The names and address of the interested parties as to each Tract of the Section 32 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.

CLARIFICATION OF SPECIFIC MATTERS PERTINENT TO NOBLE’S INTERESTS

17. On March 6, 2006, Noble filed a verified application, a portion of which covered the following described lands referenced as the “Cause No. 139 Application Lands”:

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

Section 17: All

Section 18: All

Section 19: All

Section 20: All

Section 30: All

Township 7 South, Range 95 West, 6th P.M.
Section 32: S/2, S/2N/2

Noble applied for ten (10) acre density as to both the Williams Fork and Iles formations underlying the Cause No. 139 Application Lands. However, some issues have arisen about whether the application covered the Williams Fork formation as to all such lands and the Commission's Notice of Hearing sent out regarding Noble's March 6, 2006 Verified Application provided that as to the Cause No. 139 Application Lands the Application only applied to the Iles formation. Noble requests clarification and confirmation that Noble's March 6, 2006 Verified Application applies to both the Williams Fork and the Iles formations with respect to the Cause No. 139 Application Lands and with respect to such lands the Applicant requests the following:

(a) To promote the efficient drainage of the Williams Fork and Iles formations, as to all of the Cause No. 139 Application Lands Applicant requests that, subject to the above-referenced orders, the Commission allow up to one (1) Williams Fork and one (1) Iles well per ten (10) acres that can be optionally drilled into and produced from the Iles and Williams Fork formations. Applicant does not intend by this Application to drill more than four (4) Williams Fork and Iles wells downhole per government quarter quarter section.

(b) As to all future Iles and Williams Fork wells to be drilled upon the Cause No. 139 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 or Williams Fork wells has not been ordered by the Commission. Applicant commits that the Williams Fork

and Iles wells to be drilled on the Cause No. 139 Application Lands will on average, if topographically feasible throughout the Cause No. 139 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

18. With respect to the Commission's Order Nos. 139-45 and 139-51, these orders established forty (40) acre drilling and spacing units and ten (10) acre density for the Williams Fork and Iles formations underlying Resurvey Tract 41 of Section 18, Township 8 South, Range 96 West of the 6th P.M.. Resurvey Tract 41 is located in both Section 18 and Section 19 of Township 8 South, Range 96 West of the 6th P.M. As such, Noble requests clarification and acknowledgement that the Commission's Order Nos. 139-45 and 139-51 are applicable to the portion of Resurvey Tract 41 that is located in Section 19, Township 8 South, Range 96 West of the 6th P.M.


19. The names and address of the interested parties as to each Tract of the Unspaced 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 17th day of April, 2006.

Respectfully submitted,

NOBLE ENERGY INC.

By:  _____

Gregory R. Danielson

Jamie L. Jost

Davis Graham & Stubbs LLP

Attorneys for Applicant

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Telephone: (303) 892-7438

Applicant's Address:

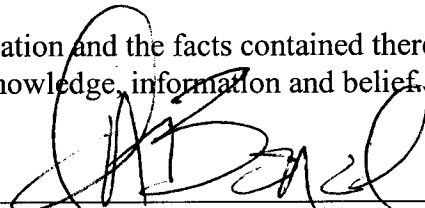
Noble Energy Inc.
1625 Broadway, Suite 2000
Denver, Colorado 80202

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

VERIFICATION

The undersigned, N. Arthur Bollen, 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.

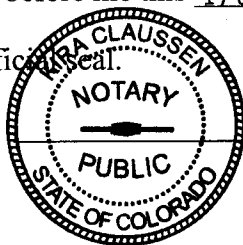


N. Arthur Bollen, Senior Landman
Noble Energy, Inc.

Subscribed and sworn to before me this 17th day of April, 2006, by N. ARTHUR BOLLEN

Witness my hand and official seal.

My commission expires: _____ SEPT. 20, 2009



KIRA L. CLAUSSEN

My Commission Expires Sept. 20, 2009
Notary Public

EXHIBIT A

To Verified Application of Noble Energy Inc.

Jess Smith
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