

**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 TO VACATE THE 1,280-ACRE DRILLING AND SPACING UNIT ESTABLISHED BY ORDER NO. 407-2101, ESTABLISH AN APPROXIMATE 1,280-ACRE DRILLING AND SPACING UNIT FOR SECTIONS 15 & 22, TOWNSHIP 7 NORTH, RANGE 64 WEST, 6TH P.M., AND APPROVE UP TO SIXTEEN (16) HORIZONTAL WELLS IN THE 1,280-ACRE UNIT FOR THE DEVELOPMENT AND OPERATION OF THE CODELL, CARLILE, FORT HAYS AND NIOBRARA FORMATIONS, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO. 407

DOCKET NO. 181200 ____

TYPE: SPACING

APPLICATION

COMES NOW Noble Energy, Inc. (Operator No. 100322) ("Applicant"), by and through its undersigned attorneys, and respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to vacate the 1,280-acre drilling and spacing unit established by Order No. 407-2101 for Sections 15 and 16, Township 7 North, Range 64 West, 6th P.M., establish an approximate 1,280-acre drilling and spacing unit for Sections 15 and 22, Township 7 North, Range 64 West, 6th P.M. for the production of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations, and to approve up to sixteen (16) horizontal wells in the proposed approximate 1,280-acre drilling and spacing unit for the efficient and economic development of oil, gas, and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations underlying the below-described lands. In support of its Application, Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.
2. Applicant is an Owner as defined by the Colorado Oil and Gas Conservation Act, § 34-60-103(7) and the Commission 100 Series Rules, owns leasehold interests and/or has the right to drill and produce on the following lands (hereafter "Application Lands"):

Township 7 North, Range 64 West, 6th P.M. ("DSU No. 2")

Section 15: All

Section 22: All

1,280 acres, more or less, Weld County, Colorado. A reference map of the Application Lands is attached hereto.

3. Rule 318.a. provides, in part, that all wells drilled for oil or gas to a common source of supply shall have the following setbacks: a. Wells 2,500 feet or greater in depth. A well to be drilled two thousand five hundred (2,500) feet or greater shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing. Rule 318.a. applies to Section 22 of the Application Lands.

4. On April 27, 1998, the Commission adopted Rule 318A, which, among other things, allowed certain drilling locations to be utilized to drill or twin a well, deepen a well or recomplete a well and to commingle any or all of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A was amended to allow interior infill and boundary wells to be drilled and wellbore spacing units to be established. On August 8, 2011, Rule 318A was amended to, among other things, address drilling of horizontal wells. The lands encompassing the Application Lands are subject to Rule 318A for wells drilled and producing in the Codell and Niobrara Formations and are also subject to 460' subsurface setbacks.

5. On July 24, 2017, the Commission entered Order No. 407-2101 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Sections 15 and 16, Township 7 North, Range 64 West, 6th P.M., and approved up to 10 horizontal wells in the unit, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, providing that the productive interval of each proposed horizontal well shall be no closer than 460 feet from the boundaries of the unit, and no closer than 150 feet from the productive interval of another well producing from the same supply within the unit, unless an exception is granted by the Director.

6. To promote efficient drainage within the Codell, Carlile, Fort Hays and Niobrara Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should vacate the 1,280-acre drilling and spacing unit established for Sections 15 and 16, Township 7 North, Range 64 West, 6th P.M. by Order No. 407-2101, and establish an approximate 1,280-acre drilling and spacing unit for the Application Lands for the efficient and economic development and operation of the Codell, Carlile, Fort Hays and Niobrara Formations, and approve up to sixteen (16) new horizontal wells within the proposed unit.

7. The Commission records show that there are three (3) vertical wells producing in the Codell and/or Niobrara Formations within the Application lands: the Kohlhoff #24-22 (API No. 05-123-23047) operated by PDC Energy Inc., the Irvine #15-22 (API No. 05-123-34197) operated by PDC Energy Inc., and the Irvine #20-22 (API No. 05-123-34208) operated by PDC Energy Inc. (together, the "Vertical Wells"). Applicant

respectfully requests that the Vertical Wells be excluded from the proposed 1,280-acre drilling and spacing unit and continue to allocate in accordance with existing leases, Rules or Orders for purposes of payment of proceeds.

8. The Commission records show that there are three (3) horizontal wells producing from the Codell and/or Niobrara Formations within the Application Lands and operated by Applicant: the Furrow State USX AB #16-62-1HNL (API No. 05-123-36125), the Furrow State USX AB #21-69-1HNL (API No. 05-123-36131), and the Furrow USX #AB15-99HZ (API No. 05-123-31249) (together, the "Horizontal Wells"). Applicant respectfully requests that the Horizontal Wells be excluded from the proposed drilling and spacing unit and continue to allocate in accordance with Rule 318A, existing leases, Rules or Orders for purposes of payment of proceeds.

9. The above-proposed drilling and spacing unit will allow efficient drainage of the Codell, Carlile, Fort Hays and Niobrara Formations; 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. The unit of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by the proposed well in the unit.

10. Noble maintains that there will be no more than two (2) new well pads in the unit, or adjacent thereto, unless an exception is granted by the Director.

11. The productive interval of each proposed horizontal well shall be no closer than 460 feet from the boundaries of the proposed unit and all horizontal wells shall be no closer than 150 feet from the productive interval of another well producing from the same supply within the unit, unless a waiver or consent is obtained from the operator of such well.

12. Noble is requesting to drill and complete up to sixteen (16) horizontal wells in the proposed approximate 1,280-acre drilling and spacing unit for the efficient and economic development of oil, gas and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations underlying the Application Lands.

13. The undersigned certifies that copies of this Application will be served on each interested party as required by Rule 507 within seven (7) days of the filing hereof, as required by Rule 503.e.

14. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §§ 34-60-101 *et seq.*, C.R.S., and the Commission Rules.

15. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.

WHEREFORE, Noble respectfully requests that this matter be set for hearing on December 17-18, 2018, that notice be given as required by law, and that upon such hearing, the Commission enter its order to:

A. Vacate the approximate 1,280-acre drilling and spacing unit established by Order No. 407-2101 for Sections 15 and 16, Township 7 North, Range 64 West, 6th P.M.

B. Establish an approximate 1,280-acre drilling and spacing unit for Sections 15 and 22, Township 7 North, Range 64 West, 6th P.M. (DSU No. 2), and approve up sixteen (16) horizontal wells in the unit in order to efficiently and economically develop and recover the Codell, Carlile, Fort Hays and Niobrara Formations in the unit.

C. Provide that the productive interval of each proposed horizontal well shall be no closer than 460 feet from the boundaries of the proposed unit and all horizontal wells shall be no closer than 150 feet from the productive interval of another well producing from the same supply within the unit, unless a waiver or consent is obtained from the operator of such well.

D. Authorize no more than two (2) new well pads in the unit, or adjacent thereto, unless an exception is granted by the Director.

E. Find that the approximate 1,280-acre drilling and spacing unit for the development of oil, gas, and associated hydrocarbons from the Codell, Carlile, Fort Hays and Niobrara Formations underlying the Application Lands will prevent waste, protect correlative rights, and maximize the efficient and economic production of the Codell, Carlile, Fort Hays and Niobrara Formations in the Application Lands.

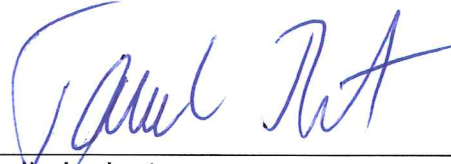
F. For such other findings and orders as the Commission may deem proper or advisable in this matter.

DATED October 18, 2018.

Respectfully submitted:

NOBLE ENERGY, INC.

By: _____

A handwritten signature in blue ink, appearing to read "Jamie L. Jost", is written over a horizontal line.

Jamie L. Jost
Kelsey Wasylenky
Jost Energy Law, P.C.
Attorneys for Applicant
1401 17th Street, Suite 370
Denver, Colorado 80202
(720) 446-5620

Applicant's Address:

Noble Energy, Inc.
ATTN: Matt Otness
1625 Broadway, Suite 2200
Denver, CO 80202

Reference Map
Noble Energy, Inc.

Sections 15 & 22, Township 7 North, Range 64 West, 6th P.M.

