

U.S. Department of the Interior
Bureau of Land Management
Glenwood Springs Energy Office
2425 S. Grand Avenue, Suite 101
Glenwood Springs, CO 81601

Statutory Categorical Exclusion, CO140-2008-002

Project: Proposal to Directionally Drill 6 Additional Wells into Federal Lease COC23443 from Existing BLM Pad (7D) in Pete and Bill Creek Area

Location: T8S, R95W, Section 7, Lot 5, 6th Principal Meridian (7D Pad)

Proposal: Noble Energy Inc. proposes to directionally drill the following six federal wells on the existing 7D pad located on public land (described above): Federal 6-14C, 6-14D, 6-24C, 6-24D, 7-21A and 7-21B wells would access Federal lease COC23443.

The most recent spud date for the eight existing wells on the 7D pad is 9/9/06. Basic infrastructure (access road, pipelines, etc.) serving the pad has been constructed. See attached Project Map. To accommodate the drilling of six additional wells on the pad, there will not be any additional surface disturbance. Access to the site crosses private lands, thereby restricting public motor vehicle access to the area.

BLM Conditions of Approval: Conditions and stipulations that would be included on the Applications for Permit to Drill (APDs) are attached.

NEPA Compliance: The following categories of Categorical Exclusions pursuant to Section 390 of the Energy Policy Act (Act of 2005) apply to this proposal:

Category #2: *"Drilling an oil and gas location or well pad at a site which drilling has occurred within five (5) years prior to the date of spudding the well."* The Federal 7-11D well was spudded on 9/9/06.

Prepared by: Jim Byers, Natural Resource Specialist 10/19/07

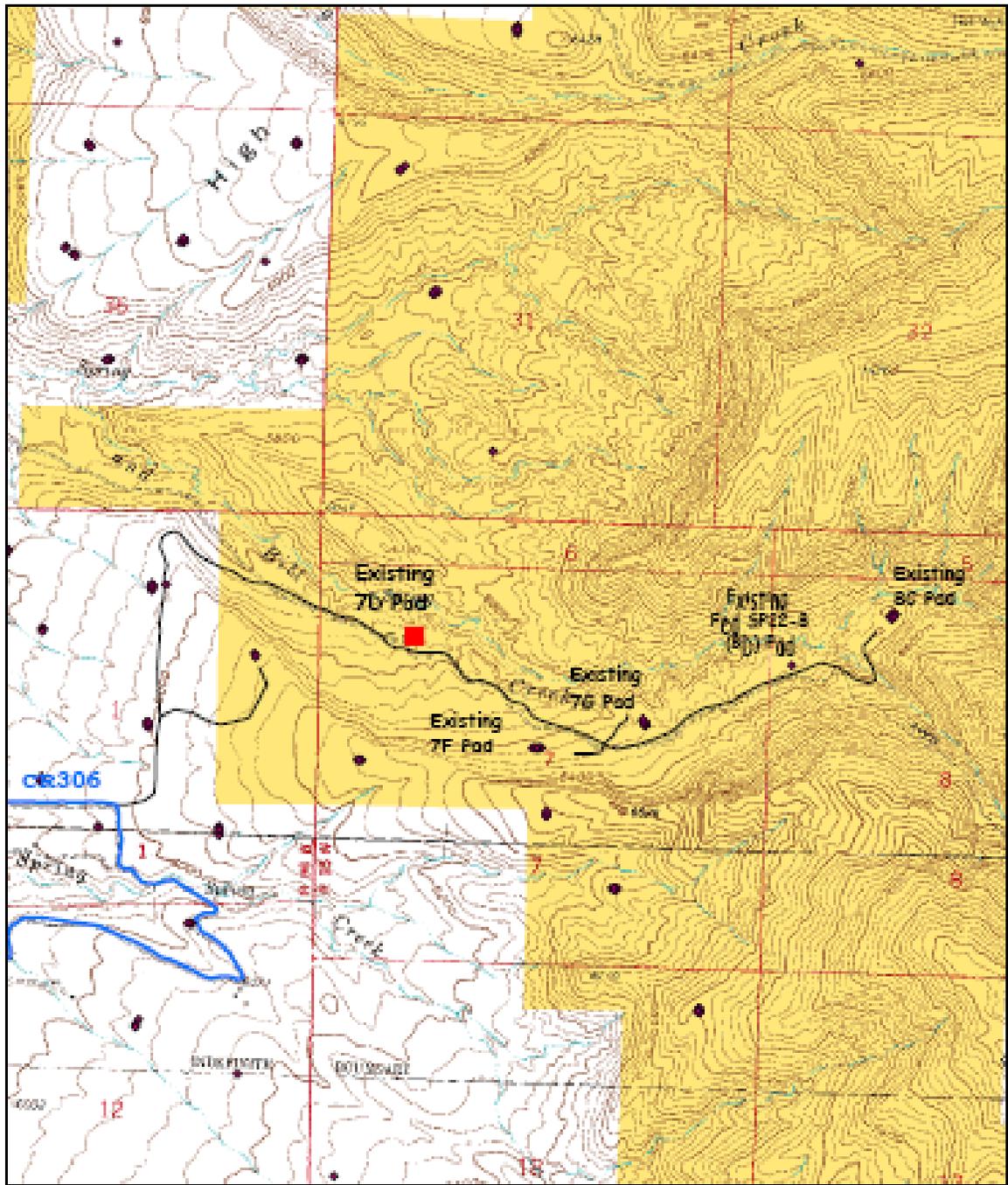
Approval: It is my decision to approve the proposed action with the above referenced terms and conditions:



Allen B. Crockett, Ph.D., J.D.
Supervisory Natural Resource Specialist

1-28-08

Date

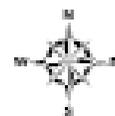


Noble's Existing 7D Pad with 6 Additional Wells

T8S R95W Sec 7 Lot 5, 6th PM

Garfield County, CO

Surface Owner: BLM



Scale 1: 24,000

10/19/07

Figure 1. Existing 7D Pad Location

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Noble Energy

Surface Hole Location	NWNW Sec 7 T08S, R95W		PAD:7D
Well Name	Well No.	Bottom Hole Location	Lease
Federal	6-14C	SWSW Sec 6 T08S, R95W	COC-23443
Federal	6-14D	SESW Sec 6 T08S, R95W	COC-23443
Federal	6-24C	SESW Sec 6 T08S, R95W	COC-23443
Federal	6-24D	SESW Sec 6 T08S, R95W	COC-23443
Federal	7-21A	NENW Sec 7 T08S, R95W	COC-23443
Federal	7-21B	NENW Sec 7 T08S, R95W	COC-23443

NOTIFICATION REQUIREMENTS

- Location Construction - at least forty-eight (48) hours prior to construction of location and access roads.
- Spud Notice - at least twenty-four (24) hours prior to spudding the well.
- Casing String and Cementing - at least twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests - at least twenty-four (24) hours prior to initiating pressure tests.
- First Production-Notice - within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days.
- Reclamation - At least (24) hours prior to re-shaping the well pad.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

APD approval is valid for a period of two (2) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

Please contact Steve Ficklin (970) 947-5213 or Marty O’Mara (970) 947-5221 of the Glenwood Springs Energy Office at least 24 hours prior to and after spud.

Please contact **Steve Ficklin (970) 947-5213 or Marty O’Mara (970) 947-5221 of the Glenwood Springs Energy Office** at least 24 hours prior to running the surface and production casing and conducting the BOP test.

DOWNHOLE CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

1. The MINIMUM TOC for the production casing needs to be **at least** 200’ above the top of the Mesa Verde formation either during the primary cement job or through remedial cementing.

WELL NO.	MD	TVD
6-14C	3334	3043
6-14D	3213	3042
6-24C	3434	3078
6-24D	3319	3079
7-21A	3239	3076
7-21B	3169	3069

2. A cement bond log (CBL) will be run from the production casing shoe to **TOC** and shall be utilized to determine the bond quality for the production casing.
3. Any usable water zones encountered below the surface casing shall be isolated and or protected by cementing across the zone. The minimum requirement is to cement from 50 feet above to 50 feet below each usable water zone encountered. Contact BLM – Glenwood Springs, CO upon encountering any usable water zones.
4. In addition to the Onshore Order No. 2 BOP testing requirements, for safety concerns, please test BOP to 250 psi for 5 minutes.

REGULATORY REMINDERS

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All drilling operations, unless otherwise specifically approved in the APD, must be conducted in accordance with Onshore Oil and Gas Order No. 2.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors.

A copy of the approved application for permit to drill (APD), including the conditions of approval and accompanying surface use plan will be furnished to the field representative by the operator to insure compliance and will be available to authorized personnel at the drillsite whenever active construction or drilling operations are underway.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

In the event after-hours approval or notification is necessary, please contact one of the following individuals:

Marty O'Mara	C: 970.319.5837
Petroleum Engineer	W: 970.947.5221

Steve Ficklin	W: 970.947.5213
Lead Petroleum Eng Tech.	C: 970.319.2509

BLM Fax: 970.947.5267

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids.

SURFACE USE CONDITIONS OF APPROVAL

1. All Standard Conditions of Approval outlined in Appendix D of the Pete and Bill Creek GAP will apply and remain in full force and effect.
2. Well Spudding Deadline. If the well has not been spudded by September 9, 2011 (five years after spud date for Federal 7-11D well), this APD will expire and the operator is to cease all operations related to preparing to drill the well.

If, after 1 year from spudding the initial well, or 1 year after spudding any successive wells, there are no additional wells actually drilled after the last spud date, the operator will be required to implement and complete standard interim reclamation practices as identified under Reclamation section in these surface Conditions of Approval OR submit proposed best management practices to be approved by the Authorized Officer that would be implemented on the “open” pad to control storm water drainage, weed control, wildlife protection measures, dust abatement plan and/or visual resource concerns.

3. Facility Colors and Storage Tank Location. The paint color to be used on all surface facilities including the metal containment rings surrounding the tank batteries and pipeline risers is Shale Green (5Y 4/2). The proposed location of storage tanks (near NE pad corner) shall be reviewed in the field and approved by BLM prior to any move of storage tanks from their present location. Installation of storage tanks on fill material shall be avoided.

4. Road Maintenance. Operator will be responsible for providing timely year-round road maintenance and cleanup on the access road. A regular schedule for maintenance will include, but not be limited to, blading, ditch and culvert cleaning, road surface replacement and dust abatement.

5. Dust Abatement. The operator shall implement dust abatement measures as needed or directed by the BLM authorized officer. The level and type of treatment (watering or application of various dust agents, surfactants, and road surfacing material) may be changed in intensity and must be approved by the BLM authorized officer. Magnesium chloride or other chemical suppressant shall not be applied within 100 feet of any drainage.

6. Big Game Winter TL. To protect winter wildlife habitat, no construction, drilling or completion work shall be allowed on BLM administered lands from *December 1 to April 30* per BLM right-of-way grants COC69159 and COC69159A. Exception: Under mild winter conditions, the last 60 days of the seasonal limitation period may be suspended after consultation with the CDOW (Colorado Division of Wildlife). Contact Jeff Cook, GSEO Wildlife Biologist, at 970-947-5231 or jeffrey_cook@blm.gov.

7. Excess Material from Cuttings Pit. Prior to construction of flare pit planned for SE pad corner, a suitable location(s) for the material to be excavated from cutting pit shall be determined.

8. Road Widening on Pad Approach. Approval is granted to import material or excavate existing road grade to create material to widen the spur road from Pete and Bill Creek Access Road. Objective is to create additional curve widening from Access road onto spur road to safely accommodate truck-trailer traffic in either direction.