

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

IN THE MATTER OF THE VERIFIED APPLICATION)	CAUSE NO. 407
OF BILL BARRETT CORPORATION FOR AN ORDER)	
ESTABLISHING A DRILLING AND SPACING UNIT)	DOCKET NO. <i>To be assigned</i>
AND WELL LOCATION, DENSITY AND SETBACK)	
RULES FOR THE DRILLING HORIZONTAL WELLS)	
IN THE NIOBRARA FORMATION UNDERLYING)	
SECTIONS 9 AND 10, TOWNSHIP 4 NORTH, RANGE)	
62 WEST, 6 TH P.M., WATTENBERG FIELD, WELD)	
COUNTY, COLORADO)	

APPLICATION

Bill Barrett Corporation ("BBC" or "Applicant"), by and through its attorneys, Burleson LLP, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order: (1) vacating the approximate 640-acre drilling and spacing units established for Sections 9 and 10, Township 4 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; and (2) establishing an approximate 1,280-acre laydown drilling and spacing unit consisting of said Sections 9 and 10, and approve up to sixteen (16) horizontal wells within said unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. 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 has registered as an operator with the Commission.
2. Applicant owns substantial leasehold interests in the below-listed lands:

Township 4 North, Range 62 West, 6th P.M.
Section 9: All
Section 10: All

These lands are hereinafter referred to as the "Application Lands." A map depicting the acreage comprising the Application Lands is attached hereto and marked as Exhibit A.

Vacating the Established 640-Acre Drilling and Spacing Units

3. 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 Formation 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 again amended to, among other things, address drilling of horizontal wells. The Application Lands are subject to Rule 318A. for the Niobrara Formation.

4. On or about February 22, 2011, the Commission entered Order No. 535-4 (subject to pending corrections) which, among other things, established 640-acre drilling and

spacing units for certain lands, including Sections 9 and 10, Township 4 North, Range 62 West, 6th P.M., and approved one horizontal well for each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the surface location for any permitted well to be located anywhere on the surface, consistent with Rule 318A., and the treated interval of the wellbore to be no closer than 460 feet from the boundaries of the unit, without exception being granted by the Director.

5. Applicant herein requests the establishment of an approximate 1,280-acre laydown drilling and spacing unit for the Application Lands for horizontal and vertical well development, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, and by so doing, it is necessary to vacate the 640-acre drilling and spacing units previously established for the Application Lands. At present, one horizontal well is authorized for the existing 640-acre drilling and spacing units; however, by establishing an approximate 1,280-acre laydown drilling and spacing unit and obtaining approval to drill up to sixteen (16) horizontal wells within said unit, Applicant believes the Niobrara Formation underlying the Application Lands will be more efficiently and economically drained while preventing waste of the resource.

6. Applicant has obtained Applications for Permit-to-Drill (“APDs”) for the Anschutz Spring Lake #10-09H Well, API #05-123-34714, a planned horizontal well for Section 9, Township 4 North, Range 62 West, 6th P.M., and the Spring Lake #11-10H Well, API #05-123-34716, a planned horizontal well for Section 10, Township 4 North, Range 62 West, 6th P.M. (the “Wells”), under the provisions of Order No. 535-4. Upon the establishment of the proposed approximate 1,280-acre drilling and spacing unit for the Application Lands, BBC will file a Sundry to abandon the location of the Wells, and may file subsequent APDs for planned horizontal wells which may transect the section line between Sections 9 and 10, Township 4 North, Range 62 West, 6th P.M.

Establishment of the 1,280-acre Laydown Exploratory Drilling Unit

7. Applicant requests the Commission establish the Application Lands as an approximate 1,280-acre laydown drilling and spacing unit for the Niobrara Formation pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed laydown drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the wells proposed to be drilled under this Application and completed in the Niobrara Formation.

8. Applicant requests it be authorized to drill and complete up to sixteen (16) horizontal wells in the approximate 1,280-acre laydown exploratory drilling unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

9. Applicant states that wells to be drilled under this Application should be drilled from a new, common or existing well pad, with no more than one well pad per quarter quarter section, and from surface locations consistent with provisions found in Rule 318A., without exception being granted by the Director.

10. Applicant states that for any permitted wells to be drilled under this Application, the treated intervals of the wellbore should be not less than 460 feet from the outer boundary of the proposed laydown exploratory drilling unit and not less than 150 feet from any other well or treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director.

* * *

11. 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.

12. That the names and addresses of the interested parties (owners within the proposed drilling unit or within the existing drilling unit to be affected by the application) are attached hereto and marked Exhibit B. The Applicant shall submit a certificate of service for the Application within the seven days as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing this Commission enter its order:

A. Vacating the approximate 640-acre drilling and spacing units established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

B. Establishing an approximate 1,280-acre laydown drilling and spacing unit for the Application Lands, and approve up to sixteen (16) horizontal wells within said unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

C. Requiring that any permitted wells to be drilled under this Application, whether horizontal, vertical or directional, should be drilled from a new, common or existing well pad, with no more than one well pad per quarter quarter section, and from surface locations consistent with provisions found in Rule 318A., without exception being granted by the Director.


D. Requiring that for any permitted wells to be drilled under this Application, the treated intervals of the wellbore should be not less than 460 feet from the outer boundary of the proposed laydown exploratory drilling unit and not less than 150 feet from any other well or treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director.

E. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 13 day of December, 2012.

Respectfully submitted,

BILL BARRETT CORPORATION

By: 
Robert A. Willis (Colorado Bar No. 26308)
Burleson LLP
Wells Fargo Center
1700 Lincoln Street, Suite 1300
Denver, CO 80203
(303) 801-3200


Applicant's Address:
1099 18th Street, Suite 2300
Denver, CO 80202

VERIFICATION

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

Colleen Kennedy, Senior Landman for Bill Barrett Corporation, upon oath deposes and says that she has read the foregoing Application and that the statements contained therein are true to the best of her knowledge, information and belief.

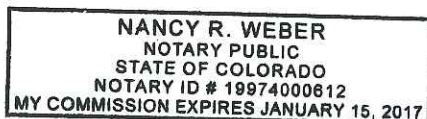
BILL BARRETT CORPORATION

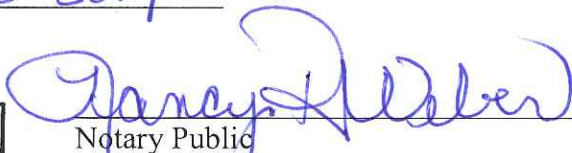

Colleen Kennedy

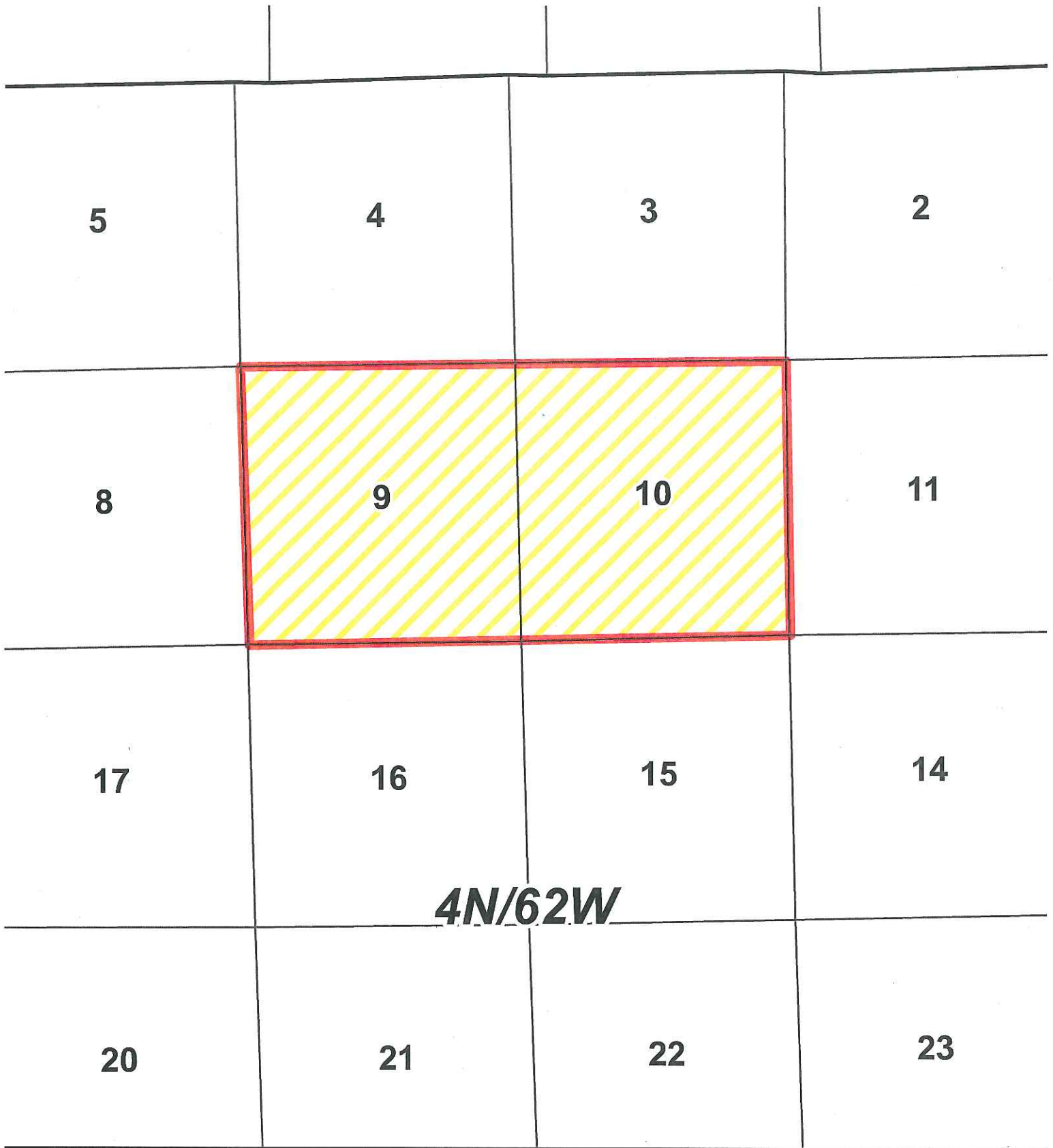
Subscribed and sworn to before me this 13 day of December, 2012, by Colleen Kennedy, Senior Landman for Bill Barrett Corporation.

Witness my hand and official seal.

My commission expires: 1-15-2017




Notary Public

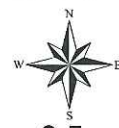


Bill Barrett Corporation

Legend



BBC Partial Working Interest



0 0.5 1 Miles

Spacing Unit Map

Exhibit A

12/12/2012

4N-62W, Sec.9&10: All
1280 Acres more or less

EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (owners within the proposed drilling unit or within the existing drilling unit to be affected by the application) according to the information and belief of the Applicant are set forth in this Exhibit B.

Bill Barrett Corporation
1099 18th Street, Suite 2300
Denver, CO 80202

Robert A. Willis
Burleson LLP
1700 Lincoln St., Suite 1300
Denver, CO 80290

Energy Liaison
Colorado Parks and Wildlife
6060 Broadway
Denver, CO 80216

Anschutz Exploration Corporation
555 17th Street, Suite 2400
Denver, CO 80202

Kent Kuster
Colorado Department of Public Health and
Environment
4300 Cherry Creek Drive South
Denver, CO 80246

David Bauer
Weld County LGD
1111 H Street
Greeley, CO 80632


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

IN THE MATTER OF THE PROMULGATION) CAUSE NO. 407
AND ESTABLISHMENT OF FIELD RULES TO)
GOVERN OPERATIONS IN THE WATTENBERG) DOCKET NO. *to be assigned*
FIELD, WELD COUNTY, COLORADO)

AFFIDAVIT OF MAILING OF APPLICATION

STATE OF COLORADO)
)ss.
CITY AND COUNTY OF DENVER)

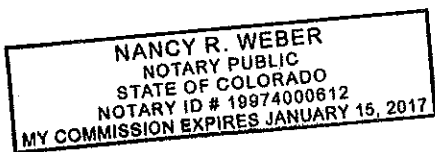
Jessica Rauh, of lawful age, and being first duly sworn upon her oath, states and declares that she caused a copy of the **APPLICATION** (for the pooling of interests in Sections 9 and 10, Township 4 North, Range 62 West, 6th P.M., in the above-captioned matter to be deposited in the United States Mail, postage prepaid, addressed to the interested parties on the attached Exhibit A on this 13th day of December 2012.


Jessica Rauh

Subscribed and sworn to before me on the 13th day of December 2012.

Witness my hand and official seal.


Notary Public



My commission expires: 1/15/2017

EXHIBIT A

Interested Parties

Bill Barrett Corporation
1099 18th Street, Suite 2300
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