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

IN THE MATTER OF AN APPLICATION BY BILL)	
BARRETT CORPORATION FOR AN ORDER)	CAUSE NOS. 407 & 535
AUTHORIZING ADDITIONAL WELLS IN THE)	
ESTABLISHING A 640-ACRE DRILLING AND)	DOCKET NO. 1312-SP-1210
SPACING UNIT ESTABLISHED FOR SECTION 16,)	
TOWNSHIP 4 NORTH, RANGE 62 WEST, 6 TH P.M., FOR)	
HORIZONTAL WELL DEVELOPMENT OF THE)	
NIOBRARA FORMATION, AND AN ORDER)	
ESTABLISHING A 640-ACRE UNIT FOR SAID)	
SECTION 16, FOR HORIZONTAL WELL)	
DEVELOPMENT OF THE CODELL FORMATION,)	
WATTENBERG FIELD, WELD COUNTY, COLORADO)	

AMENDED 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) authorizing the drilling of an additional fifteen (15) horizontal wells, for a total up to sixteen (16) horizontal wells, in the establishing an approximate 640-acre drilling and spacing unit established for Section 16, Township 4 North, Range 62 West, 6th P.M., and authorizing the drilling of up to sixteen (16) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; and (2) establishing an approximate 640-acre drilling and spacing unit for said Section 16, and authorizing the drilling of up to four (4) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell 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 majority leasehold interests in the below-listed lands:

Township 4 North, Range 62 West, 6th P.M. Section 16: 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 <u>Exhibit A</u>.

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 Cretaceous Age Formations from the base of the Dakota Formation to the surface. Rule 318A. supersedes all prior Commission drilling and spacing orders affecting well location and density requirements of Greater Wattenberg Area wells. On December 5, 2005, Rule 318A. was amended, among other things, 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, among other things, to address drilling of horizontal

wells. The Application Lands are subject to certain aspects of this Rule for the Codell and Niobrara Formations.

<u>Authority to Drill Additional Horizontal Wells within the Niobrara Formation</u>
<u>Establishment of a 640-acre Drilling Unit for Horizontal Well Development of the Niobrara Formation</u>

- 4. On or about February 22, 2011, the Commission entered Order Nos. 407-779 and 535-4 (corrected on April 4, 2013) which, among other things, established 640-acre drilling and spacing units for certain lands, including the Application Lands, and approved one horizontal well for each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the permitted wellbore to be located no closer than 460 feet from the boundaries of the unit.
- 5. Pursuant to §34-60-116(4), C.R.S., Applicant requests the Commission authorize the drilling of additional wells with the drilling and spacing unit established for the Application Lands. Applicant requests the Commission order authorizing up to fifteen (15) additional horizontal wells, for a total of up to sixteen (16) horizontal wells, for the approximate 640-acre drilling and spacing unit established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- 4. Applicant requests the Commission establish the Application Lands as an approximate 640-acre 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 drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the horizontal wells proposed to be drilled under this Application and completed in the Niobrara Formation.
- 5. Applicant requests it be authorized to drill and complete sixteen (16) horizontal wells in the approximate 640-acre drilling and spacing unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, as necessary 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.
- 6. 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 unit boundaries with an inter-well setback of not less than 250 feet from the treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director.

Establishment of a 640-acre Drilling Unit for Horizontal Well Development of the Codell Formation

7. Applicant requests the Commission establish the Application Lands as an approximate 640-acre drilling and spacing unit for the Codell Formation pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the

horizontal well proposed to be drilled under this Application and completed in the Codell Formation.

- 8. Applicant requests it be authorized to drill and complete four (4) horizontal wells in the approximate 640-acre drilling and spacing unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell Formation, as necessary 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, 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 unit boundaries with an inter-well setback of not less than 250 feet from the treated interval of a well producing from the Codell Formation, without exception being granted by the Director.

* * *

- 10. Applicant states that any horizontal wells to be drilled under this Application will be drilled from multi-well pads on the surface of the drilling unit, or on adjacent lands with consent of the landowner, 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) and an associated certificate of service shall be submitted within 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. Authorizing the drilling of an additional fifteen (15) horizontal wells, for a total up to sixteen (16) horizontal wells, in the approximate 640-acre drilling and spacing unit established for Section 16, Township 4 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated intervals of the wellbore of any permitted wells to be located not less than 460 feet from the outer boundary of the proposed unit and not less than 150 feet from the treated interval of any well being drilled or producing from the Niobrara Formation, without exception being granted by the Director.

A. Establishing an approximate 640-acre drilling and spacing unit for Section 16, Township 4 North, Range 62 West, 6th P.M., and authorizing the drilling of up to sixteen (16) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated intervals of the wellbore of any permitted wells to be located not less than 460 feet from the outer boundary of the proposed unit and not less than 250 feet from the treated interval of any well being drilled or producing from the Niobrara Formation, without exception being granted by the Director.

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- B. Establishing an approximate 640-acre drilling and spacing unit for Section 16, Township 4 North, Range 62 West, 6th P.M., and authorizing the drilling of up to four (4) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell Formation, with the treated intervals of the wellbore of any permitted wells to be located not less than 460 feet from the outer boundary of the proposed unit and not less than 450 250 feet from the treated interval of any well being drilled or producing from the Codell Formation, without exception being granted by the Director.
- C. Requiring that any permitted wells to be drilled under this Application should be drilled from multi-well pads on the surface of the drilling unit, or on adjacent lands with consent of the landowner, without exception being granted by the Director.
- D. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this _____ day of November, 2013.

Respectfully submitted,

BILL BARRETT CORPORATION

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: Bill Barrett Corporation Colleen Kennedy, Land Manager 1099 18th Street, Suite 2300

Denver, CO 80202

VERIFICATION

STATE OF COLORADO

) ss.

CITY & COUNTY OF DENVER

Colleen Kennedy, Land Manager for Bill Barrett Corporation, upon oath deposes and says that she has read the foregoing Amended 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 /// day of November, 2013, by Colleen Kennedy, Land Manager for Bill Barrett Corporation.

my hand and official seal.

sion expires: Kbrary 4, 7014

Meglow O Halloran

Notary Public

EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (owners within Section 16, Township 4 North, Range 62 West, 6th P.M.) 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

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

Oil & Gas Liaison Colorado Dep't of Public Health & Environment 4300 Cherry Creek Drive South Denver, CO 80246-1530 Robert A. Willis Burleson LLP 1700 Lincoln St., Suite 1300 Denver, CO 80290

Oil & Gas Liaison Colorado Parks & Wildlife 6060 Broadway Denver, CO 80216

4813-1453-3142, v. 1

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

N BY BILL RDER IN THE 640- VNSHIP 4 DR OF THE ERG FIELD,)))) () ()	CAUSE NOS. 407 & 535 DOCKET NO. To be assigned
))ss.)		
	RDER IN THE 640- VNSHIP 4 OR OF THE ERG FIELD, VVIT OF MAILIN	RDER) IN THE 640-) VNSHIP 4) OR) OF THE) ERG FIELD,) AVIT OF MAILING

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 an order authorizing additional wells in the 640-acre drilling and spacing unit established for Section 16, Township 4 North, Range 62 West, 6th P.M., for production of oil/gas from the Niobrara Formation, in the above-captioned matter to be deposited in the United States Mail, postage prepaid, addressed to the interested parties on the attached Exhibit B on this 2 day of October, 2013.

Subscribed and sworn to before me on the Zurday of October, 2013.

Witness my hand and official seal.

My commission expires: February 4,7014



My Commission Expires 02/04/2014

EXHIBIT B

INTERESTED PARTIES

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

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

Anschutz Exploration Corporation 555 17th Street, Suite 2500 Denver, CO 80202