

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 VACATING 640-ACRE) CAUSE NOS. 407 & 535
DRILLING AND SPACING UNITS ESTABLISHED FOR)
SECTIONS 34 & 35, TOWNSHIP 6 NORTH, RANGE 62) DOCKET NO. *To be assigned*
WEST, 6TH P.M., AND ESTABLISHING 1,280-ACRE)
DRILLING AND SPACING UNITS FOR SAID SECTIONS 34)
& 35, FOR HORIZONTAL WELL DEVELOPMENT OF THE)
CODELL AND NIOBRARA FORMATIONS, WATTENBERG)
FIELD, WELD COUNTY, COLORADO)

APPLICATION

Bill Barrett Corporation ("BBC" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order: (1) maintaining the approximate 640-acre drilling and spacing units established for Sections 34 & 35, Township 6 North, Range 62 West, 6th P.M., for existing oil, gas and associated hydrocarbons produced from the Niobrara Formation; (2) vacating that portion of Order Nos. 407-821 and 535-381 which authorizes the drilling of an additional seven (7) horizontal wells within the approximate 640-acre drilling and spacing unit established for said Section 35, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation; (3) vacating the approximate 640-acre drilling and spacing unit established for Section 35, Township 6 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell Formation; (4) establishing an approximate 1,280-acre drilling and spacing unit for said Sections 34 and 35, 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 (5) establishing an approximate 1,280-acre drilling and spacing unit for said Sections 34 and 35, 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 6 North, Range 62 West, 6th P.M.

Section 34: All

Section 35: 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.

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 Niobrara and Codell Formations.

Maintaining the 640-acre Drilling Unit Established for Sections 34 & 35, Township 6 North, Range 62 West, 6th P.M., for the Niobrara Formation

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. BBC presently operates the Dutch Lake #22-34H Well (API #05-123-33541) (drilled on or about September 1, 2012) under Order No. 535-4 within Section 34, Township 6 North, Range 62 West, 6th P.M., with production from the Niobrara Formation. This Application is not seeking to modify production payments from this well or include production from this well into the approximate 1,280-acre drilling and spacing unit proposed herein for the Application Lands.

6. On July 29, 2013, the Commission entered Order Nos. 407-821 and 535-381 which, among other things, approved an additional seven (7) horizontal wells, for up to eight (8) horizontal wells, for the approximate 640-acre drilling and spacing unit established for Section 35, Township 6 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

7. BBC presently operates the Dutch Lake #23-35H Well (API #05-123-33543) (drilled on or about January 16, 2013) under Order No. 535-4 within Section 35, Township 6 North, Range 62 West, 6th P.M., with production from the Niobrara Formation. This Application is not seeking to modify production payments from this well or include production from this well into the approximate 1,280-acre drilling and spacing unit proposed herein for the Application Lands.

Vacating Certain Provisions of Order Nos. 407-821 and 535-381

8. On July 29, 2013, the Commission entered Order Nos. 407-821 and 535-381 which, among other things, approved an additional seven (7) horizontal wells, for up to eight (8) horizontal wells, for the approximate 640-acre drilling and spacing unit established for Section 35, Township 6 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

9. BBC presently operates the Dutch Lake #23-35H Well (API #05-123-33543) (drilled on or about January 16, 2013) under Order No. 535-4 within Section 35, Township 6 North, Range 62 West, 6th P.M., with production from the Niobrara Formation.

10. Applicant requests the Commission vacate that portion of Order Nos. 407-821 and 535-381 which authorizes an additional seven (7) horizontal wells in the approximate 640-acre drilling and spacing unit established for Section 35, Township 6 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation. This request is made to allow for horizontal well development of the Application Lands with horizontal wellbores with long laterals which will cross the section line leading to more economical and efficient recovery of the resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

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

11. On July 29, 2013, the Commission entered Order Nos. 407-821 and 535-381 which, among other things, established an approximate 640-acre drilling and spacing unit, approving up to four

(4) horizontal wells within the unit, for Section 35, Township 6 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell Formation.

12. Applicant requests the Commission vacate the approximate 640-acre drilling and spacing unit previously established for Section 35, Township 6 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell Formation. This request is made to allow for horizontal well development of the Application Lands with horizontal wellbores with long laterals which will cross the section line leading to more economical and efficient recovery of the resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

Establishment of a 1,280-acre Drilling Unit for Horizontal Well Development of the Niobrara Formation

13. Applicant requests the Commission establish the Application Lands as an approximate 1,280-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.

14. Applicant requests it be authorized to drill and complete sixteen (16) horizontal wells in the approximate 1,280-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.

15. 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 150 feet from the treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director.

Establishment of a 1,280-acre Drilling Unit for Horizontal Well Development of the Codell Formation

16. Applicant requests the Commission establish the Application Lands as an approximate 1,280-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 wells proposed to be drilled under this Application and completed in the Codell Formation.

17. Applicant requests it be authorized to drill and complete four (4) horizontal wells in the approximate 1,280-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.

18. 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 150 feet from the treated interval of a well producing from the Codell Formation, without exception being granted by the Director.

* * *

19. Applicant states that any horizontal wells to be drilled under this Application will be drilled from no more than five (5) 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.

20. 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.

21. That the names and addresses of the interested parties (owners within the proposed drilling unit) according to the information and belief of the Applicant are set forth in Exhibit B attached hereto. 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. Maintaining the approximate 640-acre drilling and spacing units established for Sections 34 and 35, Township 6 North, Range 62 West, 6th P.M., for existing oil, gas and associated hydrocarbons produced from the Niobrara Formation.

B. Vacating that portion of Order Nos. Order Nos. 407-821 and 535-381 which authorizes the drilling of an additional (7) horizontal wells within the approximate 640-acre drilling and spacing unit established for Section 35, Township 6 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

C. Vacating the approximate 640-acre drilling and spacing unit previously established for Section 35, Township 6 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Codell Formation.

D. Establishing an approximate 1,280-acre drilling and spacing unit for Sections 34 and 35, Township 6 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 150 feet from the treated interval of any well being drilled or producing from the Niobrara Formation, without exception being granted by the Director.

E. Establishing an approximate 1,280-acre drilling and spacing unit for Sections 34 and 35, Township 6 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 150 feet from the treated interval of any well being drilled or producing from the Codell Formation, without exception being granted by the Director.

F. Requiring that any permitted wells to be drilled under this Application should be drilled from no more than five (5) 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.

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

DATED this 16 day of January, 2014.

Respectfully submitted,

BILL BARRETT CORPORATION

By: 

Robert A. Willis (Colorado Bar No. 26308)
Beatty & Wozniak, P.C.
216 16th Street, Suite 1100
Denver, CO 80202
(303) 407-4499

Kenneth A. Wonstolen
Senior Vice-President & General Counsel
Bill Barrett Corporation

Applicant's Address:
Bill Barrett Corporation
Colleen Kennedy, Land Manager
1099 18th Street, Suite 2300
Denver, CO 80202

VERIFICATION

STATE OF COLORADO

)

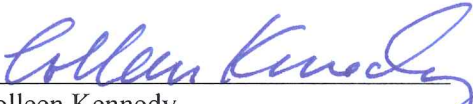
) ss.

CITY & COUNTY OF DENVER

)

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

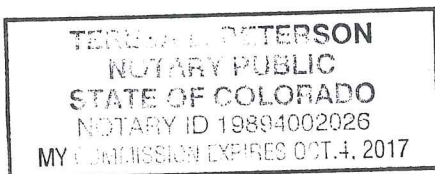
BILL BARRETT CORPORATION


Colleen Kennedy

Subscribed and sworn to before me this 16th day of January, 2014, by Colleen Kennedy, Land Manager for Bill Barrett Corporation.

Witness my hand and official seal.

My commission expires: 10-04-17




Notary Public

Sec. 34 & 35, T6N, R62W
Weld County

Exhibit A
Application Map

Application Lands - 

13	18	17	16	15	14	13	18	17
24	19	20	T6N R62W 21	22	23	24	19	20
25	30	29	28	27	26	25	30	29
36	31	32	33	34	35	36	31	32
1	6	5	4	3	2	1	6	5
12	7	8	T5N R62W 9	10	11	12	7	8
13	18	17	16	15	14	13	18	17

EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (owners within Sections 34 and 35, Township 6 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

Robert A. Willis
Beatty & Wozniak, P.C.
216 16th St., Suite 1100
Denver, CO 80202

Reed-George Land & Minerals, Ltd
P.O. Drawer 310
Bastrop, TX 78602

Estate of Catherine Elizabeth Degler, decd.
P.O. Box 308
Glenville, CA 93226

Estate of Beulah F. Hill, decd.
4210 Hickman Rd.
Des Moines, IA 50312

David Bauer
Weld County
1111 H Street
Greeley, CO 80632

Tom Schreiner, Energy Liaison
Colorado Parks and Wildlife
Northeast Region Office
6060 Broadway
Denver, CO 80216

Kent Kuster
Oil & Gas Consultant Coordinator
Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

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CODELL AND NIOBRARA FORMATIONS, WATTENBERG)
FIELD, WELD COUNTY, COLORADO)

AFFIDAVIT OF MAILING

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

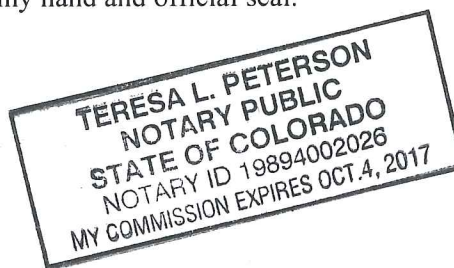
Robert A. Willis, of lawful age, and being first duly sworn upon his oath, states and declares:


That he is an attorney for Bill Barrett Corporation, that on or before January 23, 2014, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.


Robert A. Willis

Subscribed and sworn to before me January 16, 2014.

Witness my hand and official seal.




Notary Public