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 5 & 8, TOWNSHIP 6 NORTH, RANGE 61 WEST,)	DOCKET NO. To be assigned
6 TH P.M., AND ESTABLISHING AN 1,280-ACRE DRILLING)	
AND SPACING UNIT FOR SAID SECTIONS 5 & 8, FOR)	
HORIZONTAL WELL DEVELOPMENT OF THE NIOBRARA)	
FORMATION, 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) vacating the approximate 640-acre drilling and spacing units established for Sections 5 and 8, Township 6 North, Range 61 West, 6th P.M., for production of oil, gas and associated hydrocarbons from the Niobrara Formation; and (2) establishing an approximate 1,280-acre drilling and spacing unit for said Sections 5 and 8, and authorizing the drilling of up to eight (8) horizontal wells within the proposed 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 majority leasehold interests in the below-listed lands:

Township 6 North, Range 61 West, 6th P.M. Section 5: All Section 8: 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 Formation.
- 4. The Applicant has drilled and presently operates the Greasewood #4-8H Well (API #05-123-36317) within Section 8, Township 6 North, Range 61 West, 6th P.M., with production from the Niobrara Formation, on a 640-acre unit basis designated under Rule 318A.e. 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 for the Application Lands.

<u>Vacating the 640-acre Drilling Units for Horizontal Well Development of the Niobrara Formation</u>

- 5. On or about April 16, 2012, the Commission entered Order No. 407-583 which, among other things, established 640-acre drilling and spacing units for certain lands, including the Section 5, Township 6 North, Range 61 West, 6th P.M., and approved up to eight (8) horizontal wells 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 unit boundaries.
- 6. On or about July 29, 2013, the Commission entered Order Nos. 407-827 and 535-387 which, among other things, established an approximate 640-acre drilling and spacing unit for Section 8, Township 6 North, Range 61 West, 6th P.M., and approved up to eight (8) horizontal wells within the 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 and an inter-well setback of not less than 150 feet from the treated interval of any other wellbore located in the unit.
- 7. Applicant requests the Commission vacate the approximate 640-acre drilling and spacing units previously established for the Application Lands, 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 between the Application Lands, 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

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

- 8. 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.
- 9. Applicant requests it be authorized to drill and complete up to (8) 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.
- 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 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.

* * *

11. Applicant states that any horizontal wells to be drilled under this Application will be drilled from no more than four (4) 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.

- 12. 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.
- 13. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to being bound by said oral order.
- 14. 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. Vacating the approximate 640-acre drilling and spacing units established for Sections 5 and 8, Township 5 North, Range 61 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.
- B. Establishing an approximate 1,280-acre drilling and spacing unit for Sections 5 and 8, Township 6 North, Range 61 West, 6th P.M., and authorizing the drilling of up to eight (8) 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.
- C. Requiring that any permitted wells to be drilled under this Application should be drilled from no more than four (4) 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. Providing that relief granted under this Application be effective on oral order by the Commission, relying on the Applicant's desire to be bound by said oral order.
- E. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 21th day of February, 2014.

Respectfully submitted,

BILL BARRETT CORPORATION Robert A. Willis (Colorado Bar No. 26308) Beatty & Wozniak, P.C. Attorney for Applicant 216 16th Street, Suite 1100 Denver, Colorado 80202 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 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** Subscribed and sworn to before me this action day of February, 2014, by Colleen Kennedy, Land Manager for Bill Barrett Corporation. Witness my hand and official seal. My commission expires: TERESA L. PETERSON NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19894002026 MY COMMISSION EXPIRES OCT.4, 2017

Exhibit A Application Map	17	20	29	32	75	œ	17
	18	19	30	31	9	7	18
Sec. 5 & 8, T6N, R61W Weld County	13	24	25	36	1	12	13
	14	23	26	35	2	11	14
	15	T7N R61W 22	27	34	အ	10 R61W	15
	16	T7N 21	28	33	4	6 T6N	16
	17	20	29	32	5	∞	17
- spui	18.	19	30	31	9	7	18
Application Lands -	. 13	24	25	36	1	12	13

EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (owners within Sections 5 and 8, Township 6 North, Range 61 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 Street, Suite 1100 Denver, Colorado 80202

Acme Oil Corp., LLC 1051-D West Highway 34 Loveland, CO 80537 Bill Barrett Corporation 1099 18th St. #2300 Denver, CO 80202

DJ Resources, LLC 1600 Broadway #1960 Denver, CO 80202 Continental Resources, Inc. P.O. Box 269091 Oklahoma City, OK 73126

Hart Energy, LLC P.O. Box 50190 Casper, WY 82605

Whiting Oil and Gas Corporation 1700 Broadway #2300 Denver, CO 80293-2300

Acme Oil Corp., LLC 1051-D West Highway 34 Loveland, CO 80537

Conoco Phillips Company 3300 N. A Street Midland, TX 79705

Robinson Interests I, Ltd. 5005 Riverway #200 Houston, TX 77056

M. W. MacDougall 333 S. Cherokee Denver, CO 80206

John R. Moran, Jr. Trustee under Trust Agreement of John R. Moran dated 8/1/1974 P.O. Box 5825 Denver, CO 80217

Ted R. Howard and Freeman T. Eagleson, III as Co-Trustees of the Betty Sue Eagleson Inter Vivos Trust dated February 25, 1998 227 S. Broadleigh Rd. Columbus, OH 43209

FWWA Oil Inc. Co. Wells fargo Bank, N.A 1740 Broadway Denver, CO 80274 Joy Schaefer Henry P.O. Box 177 Bonsall, CA 92003

Mac Van Hall and Rachel Needham Van Hall, jt 6784 E. Cedar #307 Denver, CO 80224 Janice A. Satrom 58 Sloping Hills Cove Grand Forks, ND 58201

Kristopher W. Amico 32817 Northshire Circle Temecula, CA 92593 N. C. Ginther 1714 Esperson Bldg. Houston, TX W. L. Ginther 1714 Esperson Bldg. Houston, TX

Velma Site Brackenrich Vega Route 4 Box 99 Frankford, WV 24938

A.Macy Smith 421Cotton Exchange Bldg. Houston, TX

Judy Schaefer Puett 34397 Whispering Oaks Ridge Manor, FL

First Presbyterian Church 5300 Main St. Houston, TX

Cimarron Minerals Limited Liability Company P.O. Box 1600 San Antonio, TX 78296

J. A. Gray 622 Bank of Commerce Bldg. Houston, TX

Morris Rauch 622 Bank of Commerce Bldg. Houston, TX

Rex E. Hudson 622 Bank of Commerce Bldg. Houston, TX

Gerald Rauch 622 Bank of Commerce Bldg. Houston, TX

Veda Mae Glesby 622 Bank of Commerce Bldg. Houston, TX

Dean A. Myers Harris Co, TX

M. M. Feld 622 Bank of Commerce Bldg. Houston, TX Jean Marr Conant 400 Medford Leas Medford, NJ 08055-2245

Estate of Marvin Sterl Bowes c/o Zella Bowes Route 4 Box 63A Frankford, WV 24938

C.J. Thibodeaux 421Cotton Exchange Bldg. Houston, TX

JC Petroleum Royalty Unity, LLC P.O. Box 922 Delhi, LA 71232

Johnny Mitchell, Trustee 622 Bank of Commerce Bldg. Houston, TX

George A. Butler 622 Bank of Commerce Bldg. Houston, TX

E. J. Pulaski 622 Bank of Commerce Bldg. Houston, TX

W. C. DeArman 622 Bank of Commerce Bldg. Houston, TX

Rheba Joan Spiner, fka Reba Joan Bregman Harris Co., TX

Leonard Rauch 622 Bank of Commerce Bldg. Houston, TX

Martin Nadelman 622 Bank of Commerce Bldg. Houston, TX

Betty Ann Sud Harris Co., TX

J. E. Leicher 622 Bank of Commerce Bldg. Houston, TX

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J. S. Oshman 622 Bank of Commerce Bldg. Houston, TX

A.I. Axelrod 622 Bank of Commerce Bldg. Houston, TX

H. W. Krakower 622 Bank of Commerce Bldg. Houston, TX

Joe Weingarten 622 Bank of Commerce Bldg. Houston, TX

Jason A. Hacker, PR of the Estate of Kelly R. Hacker c/o David W. Pehr 8501 Turnpike Dr. Westminster, CO 80031

Jencks Farms, Inc. 1522 64th Ave Greeley, CO 80634

Margaret V. H. Pigman 404 Shell Gate Rd. Alameda, CA 94501

Kelly H. Baxter P.O. Box 11193 Midland, TX 79702

Tom Schreiner, Energy Liaison Colorado Parks and Wildlife Northeast Region Office 6060 Broadway Denver, CO 80216 Joe Darsky, Trustee 622 Bank of Commerce Bldg. Houston, TX

A.I. Lack 622 Bank of Commerce Bldg. Houston, TX

Abe Weingarten 622 Bank of Commerce Bldg. Houston, TX

Irving Alexander 622 Bank of Commerce Bldg. Houston, TX

Nancy Petrikin Tewksbury, a/k/a Nancy Petrikin Menoni 2500 Torrey Pines Road #11004 La Jolla, CA 92037

Maxine Strickland 1378 Jasmine St. Denver, CO 80220

Dave Deison P.O. Box 1177 Weatherford, TX 76086

David Bauer Weld County 1111 H Street Greeley, CO 80632

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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IN THE MATTER OF AN APPLICATION BY BILL BARRETT CORPORATION FOR AN ORDER VACATING 640-ACRE DRILLING AND SPACING UNITS ESTABLISHED FOR SECTIONS 5 & 8, TOWNSHIP 6 NORTH, RANGE 61 WEST, 6 TH P.M., AND ESTABLISHING AN 1,280-ACRE DRILLING AND SPACING UNIT FOR SAID SECTIONS 19 & 20, FOR HORIZONTAL WELL DEVELOPMENT OF THE NIOBRARA FORMATION, WATTENBERG FIELD, WELD COUNTY, COLORADO	CAUSE NOS. 407 & 535 DOCKET NO. To be assigned
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 March 6, 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 this 27 day of February, 2014.

Witness my hand and official seal.

JENNIFER PITTENGER

Notary Public

State of Colorado

Notary ID 20134062771

My Commission Expires Sep 27, 2017

Notary Public