

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 35 & 36, TOWNSHIP 5 NORTH, RANGE 61 ) DOCKET NO. *To be assigned*  
WEST, 6<sup>TH</sup> P.M., AND ESTABLISHING AN 1,280-ACRE )  
DRILLING AND SPACING UNIT FOR SAID SECTIONS 35 & )  
36, 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 35 and 36, Township 5 North, Range 61 West, 6<sup>th</sup> 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 35 and 36, 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. 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 5 North, Range 61 West, 6<sup>th</sup> P.M.

Section 35: All

Section 36: 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.

*Vacating the 640-acre Drilling Units for Horizontal Well Development of 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. 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.

6. On or about October 30, 2013, BBC was issued an approved Application for Permit-to-Drill ("APD"), Form 2, to construct the Anschutz State #5-61-36-0108BH Well (API #05-123-34090), for oil, gas and associated hydrocarbons from the Niobrara Formation, under Order No. 535-4. BBC will not drill this well as permitted; however, may modify the APD to construct the well consistent with the relief requested in this Application.

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

7. 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.

8. 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.

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 150 feet from the treated interval of a well producing from the Niobrara 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 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.

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. 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 previously established for Sections 35 and 36, Township 5 North, Range 61 West, 6<sup>th</sup> 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 35 and 36, Township 5 North, Range 61 West, 6<sup>th</sup> 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.

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

DATED this 29 day of May, 2014.

Respectfully submitted,

BILL BARRETT CORPORATION

By: 

Robert A. Willis (Colorado Bar No. 26308)

Jillian Fulcher (Colorado Bar No. 45010)

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 18<sup>th</sup> Street, Suite 2300

Denver, CO 80202

VERIFICATION

STATE OF COLORADO

)

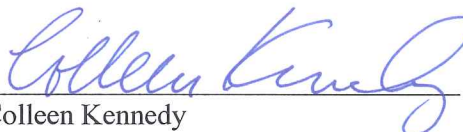
) ss.

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

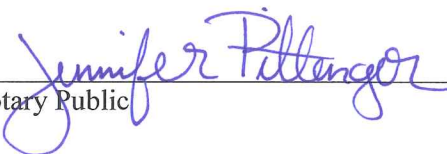
  
Colleen Kennedy

Subscribed and sworn to before me this 29<sup>th</sup> day of May, 2014, by Colleen Kennedy, Land Manager for Bill Barrett Corporation.

Witness my hand and official seal.

My commission expires: 9-27-2017



  
Notary Public

Application Lands - 

Sec. 35 & 36, T5N, R61W  
Weld County

**Exhibit A**  
Application Map

13	18	17	16	15	14	13	18	17
24	19	20	T5N R61W 21 22	23	24	20	19	20
25	30	29		26	25	29	30	29
36	31	32	33	34	35	36	31	32
1	6	5	4	3	2	1	6	5
12	7	8	T4N R61W 9 10	11	12	8	7	8
13	18	17		15	14	13	18	17

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WELD COUNTY, COLORADO )

AFFIDAVIT OF MAILING

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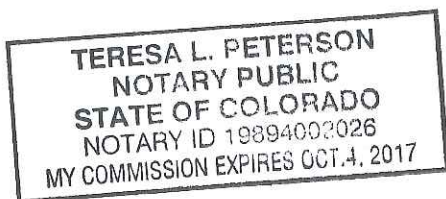
Jennifer Pittenger, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Bill Barrett Corporation, and on or before June 5th, 2014, 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.

  
Jennifer Pittenger

Subscribed and sworn to before me June 11, 2014.

Witness my hand and official seal.



  
Teresa L. Peterson  
Notary Public

## EXHIBIT B

### INTERESTED PARTIES

The names and addresses of the interested parties (owners within Section 35 and 36, Township 5 North, Range 61 West, 6<sup>th</sup> P.M.) according to the information and belief of the Applicant are set forth in this Exhibit B.

Bill Barrett Corporation  
1099 18<sup>th</sup> Street, Suite 2300  
Denver, CO 80202

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

Baseline Minerals, Inc.  
518 17th Street, Ste 1050  
Denver, CO 80202

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

Contex Energy Company  
621 17th St., Ste 1020  
Denver, CO 80293

Whiting Oil and Gas Corporation  
1700 Broadway, Ste. 2300  
Denver, CO 80290-2300

Red Hawk Petroleum, LLC  
4125 Blackhawk Plaza Circle, Suite 201A  
Danville, California 94506

Golden Globe Energy Corp., f/k/a RJ Resources Corp.  
152 West 57th Street, 4th Floor  
New York, New York 10019

John Edward Jones and Walter Thomas Jones, not in tenancy in common but in Joint Tenancy  
17024 Morgan County Road 2  
Wiggins, CO 80654

Mary Anne McCourt, aka, Mary Ann McCourt c/o Richard J. Grodner  
8015 Mountain Road Place NE, Ste. 205  
Albuquerque, NM 87110

M. A. Shikany, aka, Michael A. Shikany Estate  
Wyoming National Bank as the Executor of the Estate of M.A. Shikany Estate  
P.O. Box 2799  
Casper, WY 87602

Estate of S. A. Shikany  
Casper, Wyoming  
or  
Lila N. Dickerson, as Attorney in Fact for S. A. Shikany  
738, Biltmore Way, Apartment 2,  
Coral Gables, Florida 33134

Lonetree Energy & Associates LLC  
3 West Dry Creek Circle  
Littleton, CO 80120

Sand Bar Club LTD Partnership  
Attention Steve Higgins  
8134 E. Kettle Pl  
Centennial, CO 80112

State of Colorado acting through the State Board of Land Commissioners  
1127 Sherman Street, Suite 300  
Denver, Colorado 80203-0000

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



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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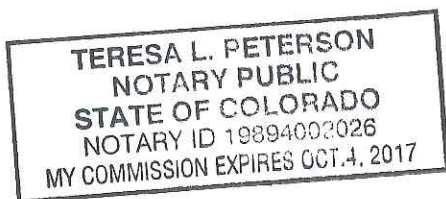
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Wyoming National Bank as the Executor of the Estate of M.A. Shikany Estate  
P.O. Box 2799  
Casper, WY 87602

Estate of S. A. Shikany  
Casper, Wyoming  
or  
Lila N. Dickerson, as Attorney in Fact for S. A. Shikany  
738, Biltmore Way, Apartment 2,  
Coral Gables, Florida 33134

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