

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 ESTABLISHING 1,280-	)	CAUSE NO. 407
ACRE DRILLING AND SPACING UNITS FOR SECTIONS 2	)	
& 3, TOWNSHIP 6 NORTH, RANGE 62 WEST, 6 <sup>th</sup> P.M., FOR	)	DOCKET NO. <i>To be assigned</i>
HORIZONTAL WELL DEVELOPMENT OF THE CODELL	)	
AND NIOBRARA FORMATIONS, WATTENBERG FIELD,	)	
WELD COUNTY, COLORADO	)	

APPLICATION

Bill Barrett Corporation, Operator #10071 ("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 1,280-acre drilling and spacing units established for Section 1 and 2, Township 6 North, Range 62 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations; (2) maintaining the approximate 640-acre drilling and spacing unit established for Section 3, Township 6 North, Range 62 West, 6<sup>th</sup> P.M., for existing oil, gas and associated hydrocarbons produced from the Niobrara Formation; (3) vacating Order No. 407-878; (4) establishing an approximate 1,280-acre drilling and spacing unit for said Sections 2 and 3, 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 2 and 3, 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:

<u>Township 6 North, Range 62 West, 6<sup>th</sup> P.M.</u>	
Section 2:	All
Section 3:	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.

*Vacating the 1,280-acre Drilling Units Established for Sections 1 & 2, Township 6 North, Range 62 West, 6<sup>th</sup> P.M., for the Codell and Niobrara Formations*

4. On or about December 16, 2013, the Commission entered Order No. 407-900 which, among other things, established an approximate 1,280-acre drilling and spacing unit for Sections 1 and 2, Township 6 North, Range 62 West, 6<sup>th</sup> P.M., and approved up to sixteen (16) horizontal wells for the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, and an approximate 1,280-acre drilling and spacing unit for said Sections 1 and 2, and approved up to four (4) horizontal wells for the unit, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

5. Applicant herein requests the establishment of an approximate 1,280-acre drilling and spacing unit for the Application Lands for horizontal well development, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and by so doing, it is necessary to vacate the approximate 1,280-acre drilling and spacing units established by Order No. 407-900 for Sections 1 and 2, Township 6 North, Range 62 West, 6<sup>th</sup> P.M., for the Codell and Niobrara Formations. By establishing the proposed approximate 1,280-acre drilling and spacing units for the Application Lands, additional wells may be drilled which will allow the Codell and Niobrara Formations underlying the Application Lands to be more efficiently and economically drained while preventing waste.

*Maintaining the 640-acre Drilling Unit Established for Section 3, Township 6 North, Range 62 West, 6<sup>th</sup> P.M., for the Niobrara Formation*

6. 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 Section 3, Township 6 North, Range 62 West, 6<sup>th</sup> P.M., and approved one horizontal well for each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

7. On or about September 19, 2011, the Commission entered Order No. 407-479 which, among other things, authorized the drilling of one additional horizontal well, for a total of two horizontal wells for certain lands, including Section 23, Township 5 North, Range 62 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

8. BBC presently operates the Dutch Lake 03-03H Well (API #05-123-33184) (which was spud on November 6, 2013) under Order No. 535-4 within Section 3, Township 6 North, Range 62 West, 6<sup>th</sup> P.M., with production from the Niobrara Formation. This Application is not seeking to modify production payments from the Dutch Lake 03-03H Well or include production from this well into the approximate 1,280-acre drilling and spacing unit proposed herein for the Application Lands and, as such, the approximate 640-acre drilling and spacing unit established for Section 3, Township 6 North, Range 62 West, 6<sup>th</sup> P.M., should be maintained.

*Vacating Order No. 407-878*

9. On or about October 28, 2013, the Commission entered Order No. 407-878 which, among other things, approved an additional seven (7) horizontal wells, for a total of up to eight (8) horizontal wells, in the approximate 640-acre drilling and spacing unit established for Section 3, Township 6 North, Range 62 West, 6<sup>th</sup> P.M., for production from the Niobrara Formation, and established an approximate 640-acre drilling and spacing unit for said Section 3, and approved four (4) horizontal wells within the unit, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

10. Applicant herein requests the establishment of approximate 1,280-acre drilling and spacing units for the Application Lands for horizontal well development, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations, and by so doing, it is necessary to vacate Order No. 407-878. By establishing the proposed approximate 1,280-acre drilling and spacing units for the Application Lands, additional wells may be drilled which will allow the Codell and Niobrara Formations underlying the Application Lands to be more efficiently and economically drained while preventing waste.

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

11. 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.

12. 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.

13. 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*

14. 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.

15. 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.

16. 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.

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17. 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.

18. 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.

19. 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.

20. That the names and addresses of the interested parties (owners within Sections 1, 2 and 3, Township 6 North, Range 62 West, 6<sup>th</sup> P.M.) 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 1,280-acre drilling and spacing units established for Sections 1 and 2, Township 6 North, Range 62 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

B. Maintaining the approximate 640-acre drilling and spacing unit established for Sections 3, Township 6 North, Range 62 West, 6<sup>th</sup> P.M., for existing oil, gas and associated hydrocarbons produced from the Niobrara Formation.

C. Vacating Order No. 407-878, which authorizes the drilling of an additional seven (7) horizontal wells, for a total of up to eight (8) horizontal wells, for the approximate 640-acre drilling and spacing unit established for Section 3, Township 6 North, Range 62 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, and establishes an approximate 640-acre drilling and spacing unit for said Section 3, for the production of gas, oil and associated hydrocarbons from the Codell Formation.

D. Establishing an approximate 1,280-acre drilling and spacing unit for Sections 2 and 3, Township 6 North, Range 62 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.

E. Establishing an approximate 1,280-acre drilling and spacing unit for Sections 2 and 3, Township 6 North, Range 62 West, 6<sup>th</sup> 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. 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.

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

DATED this 17<sup>th</sup> day of November, 2014.

Respectfully submitted,

BILL BARRETT CORPORATION

By: 

Robert A. Willis (Colorado Bar No. 26308)

Jillian Fulcher (Colorado Bar No. 45010)

Attorneys for Applicant

Beatty & Wozniak, P.C.

216 16th St., Suite 1100

Denver, CO 80202

(303) 407-4499

rwillis@bwenergylaw.com

jfulcher@bwenergylaw.com

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.

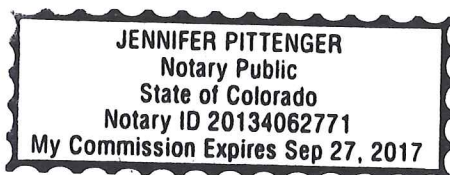
BILL BARRETT CORPORATION

  
Colleen Kennedy

Subscribed and sworn to before me this 17<sup>th</sup> day of November, 2014, by Colleen Kennedy, Land Manager for Bill Barrett Corporation.

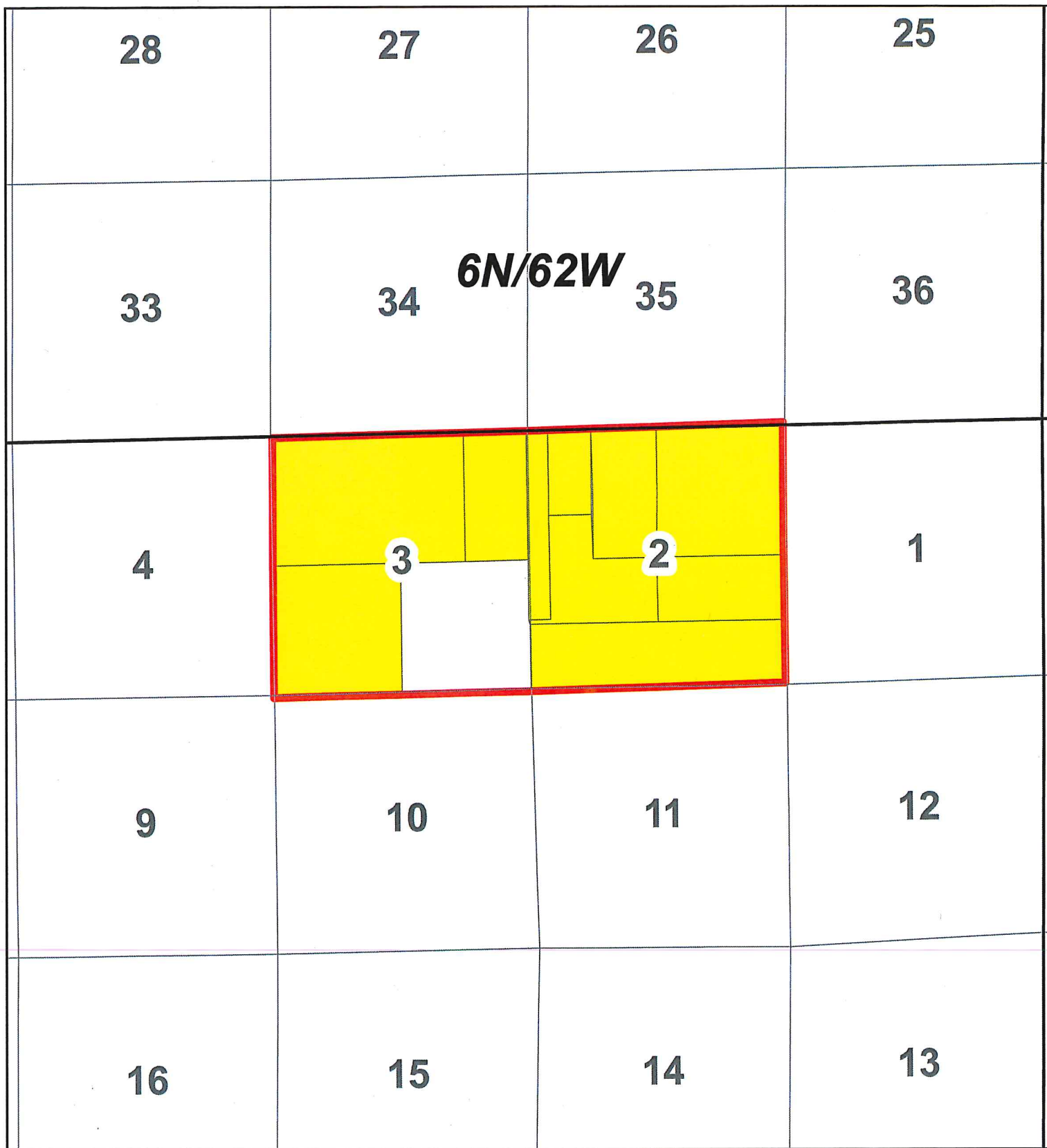
Witness my hand and official seal.

My commission expires: 9-27-2017



Notary Public

  
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Bill Barrett Corporation

**Legend**



BBC Leasehold

Application Lands



0 0.5 1 Miles

**Application Lands**

**EXHIBIT-A**

11/17/2014

6N-62W, Sec.2&3  
Weld County, CO

## EXHIBIT B

### INTERESTED PARTIES

The names and addresses of the interested parties (owners within Sections 1, 2 and 3, Township 6 North, Range 62 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 16<sup>th</sup> St., Suite 1100  
Denver, CO 80202

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

Tom Parko  
Weld County  
1555 North 17th Street  
Greeley, CO 80631

Capital Land Services, Inc.  
P.O. Box 2810  
Edmond, OK 73083

Chesapeake Exploration, LLC  
P.O. Box 18496  
Oklahoma City, OK 73118

OOGC America, Inc.  
c/o CNOOC International Limited  
P.O. Box 4705, No. 25  
Chayangmenbei Dajie  
Beijing, 100010, P.R. China

Biff A. Schneider  
701 35th Street  
Evans, CO 80620

Bonanza Creek Energy, Inc.  
Bonanza Creek Energy Operating, LLC  
410 17th Street, Suite 1400  
Denver, CO 80202

Noble Energy, Inc.  
1625 Broadway, Ste. 2200  
Denver, CO 80202

Golden Globe Energy Corp.  
R J Resources Corp.  
152 West 57th, 4th Floor  
New York, NY 10019

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



BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
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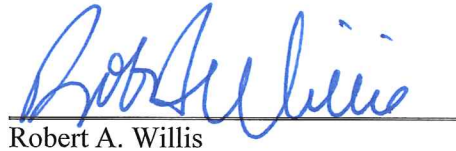
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HORIZONTAL WELL DEVELOPMENT OF THE CODELL )  
AND NIOBRARA FORMATIONS, WATTENBERG FIELD, )  
WELD COUNTY, COLORADO )

AFFIDAVIT OF MAILING

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

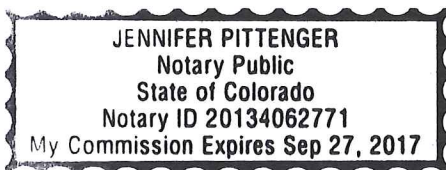
Robert A. Willis, of lawful age, and being first duly sworn upon his oath, states and declares:

That he is an attorney for Bill Barrett Corporation, that on or before November 24, 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 November 17, 2014.

Witness my hand and official seal.



  
Notary Public