

**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 TO, AMONG OTHER THINGS, ESTABLISH APPROXIMATE 1280-ACRE DRILLING AND SPACING UNITS FOR SECTIONS 27 AND 28, TOWNSHIP 4 NORTH, RANGE 62 WEST, 6TH P.M., FOR PRODUCTION FROM THE CODELL AND NIOBRARA FORMATIONS, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO. *To be assigned*

APPLICATION

Bill Barrett Corporation, Operator No. 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 640-acre drilling and spacing units established by Order No. 407-797 for Section 27, Township 4 North, Range 62 West, 6th P.M., for production from the Niobrara and Codell Formations; **(2)** establishing an approximate 1,280-acre drilling and spacing unit for Sections 27 and 28, 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 **(3)** establishing an approximate 1,280-acre drilling and spacing unit for said Sections 27 and 28, 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 substantial leasehold interests in the below-listed lands:

Township 4 North, Range 62 West, 6th P.M.

Section 27: All

Section 28: All

1,280-acres, more or less, Weld County, Colorado

These lands are hereinafter referred to as the "Application Lands." A reference 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 Codell and Niobrara Formations.

Vacating the 640-acre Drilling Unit Established for Section 27, Township 4 North, Range 62 West, 6th P.M., for the Niobrara Formation

4. On or about June 17, 2013, the Commission entered Order No. 407-797 which, among other things, established 640-acre drilling and spacing units for Section 27 of the Application Lands, and approved one horizontal well for each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations.

5. Based on a review of the records maintained by the COGCC, there are currently no planned or existing wells within Section 27 of the Application Lands. Applicant herein requests the establishment of an approximate 1,280-acre lay-down drilling and spacing unit for the Application Lands for horizontal well development, to efficiently and economically recover resources from the Niobrara Formation. Accordingly, Applicant requests Order No. 407-797 be vacated with respect to Section 27, Township 4 North, Range 62 West, 6th P.M.

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

6. 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.

7. 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.

8. 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, unless an exception is granted by the Director.

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

9. Applicant further 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.

10. 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.

11. 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, unless an exception is granted by the Director.

12. 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, unless an exception is granted by the Director.

13. 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.

14. 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.

15. That the names and addresses of the interested parties (owners within the Application Lands) 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 by Order No. 407-797 for Section 27, Township 4 North, Range 62 West, 6th P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara and Codell Formations.

B. Establishing an approximate 1,280-acre drilling and spacing unit for the Application Lands, 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, unless an exception is granted by the Director.

C. Establishing an approximate 1,280-acre drilling and spacing unit for the Application Lands, 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, unless an exception is granted by the Director.

D. 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.


F. 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.

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

DATED this 8 day of October, 2015.

Respectfully submitted,

BILL BARRETT CORPORATION

By: 

Jillian Fulcher
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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
Colleen Kennedy

Subscribed and sworn to before me this 7th day of October, 2015, by Colleen Kennedy, Land Manager for Bill Barrett Corporation.

Witness my hand and official seal.

My commission expires: 10-8-2019

Leslie Mann
Notary Public



**BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO**

IN THE MATTER OF AN APPLICATION BY BILL BARRETT CORPORATION FOR AN ORDER TO, AMONG OTHER THINGS, ESTABLISH APPROXIMATE 1280-ACRE DRILLING AND SPACING UNITS FOR SECTIONS 27 AND 28, TOWNSHIP 4 NORTH, RANGE 62 WEST, 6TH P.M., FOR PRODUCTION FROM THE CODELL AND NIOBRARA FORMATIONS, WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO. *To be assigned*

AFFIDAVIT OF MAILING

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

Chanda Thomsen, of lawful age, and being first duly sworn upon her oath, states and declares:

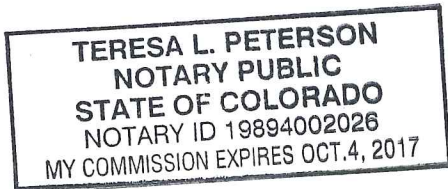
That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Bill Barrett Corporation, and on or before October 15, 2015, caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.

Chanda Thomsen

Chanda Thomsen

Subscribed and sworn to before me this 8th day of October, 2015.

Witness my hand and official seal.



Teresa L Peterson

Notary Public

EXHIBIT A

Reference Map for Spacing Application

Township 4 North, Range 62 West, 6th P.M.

Section 27: All

Section 28: All

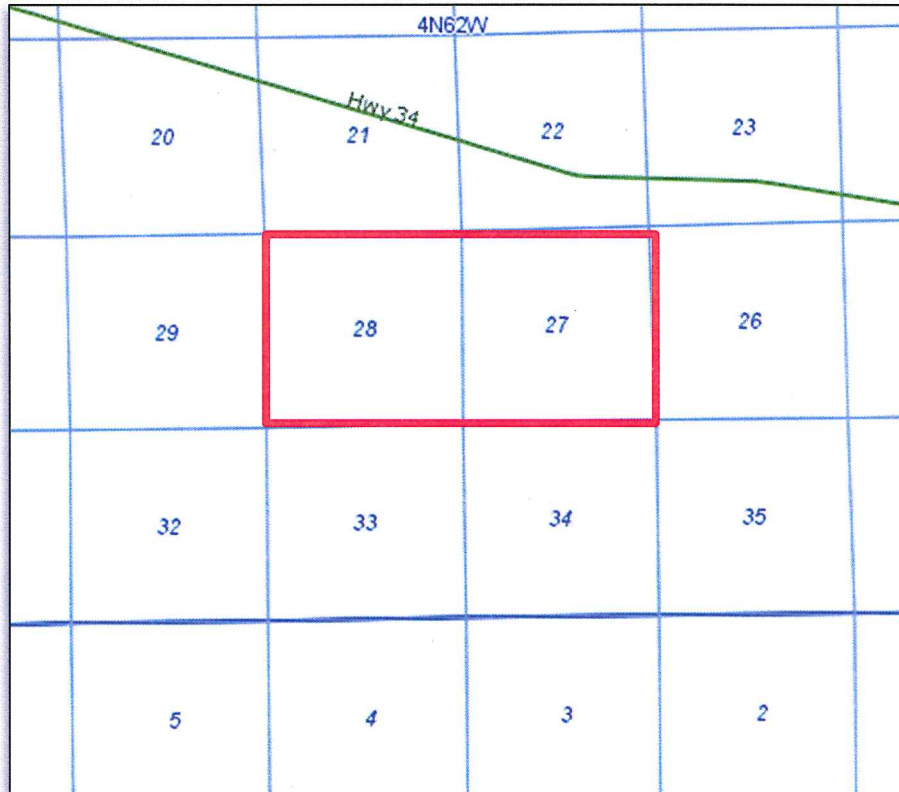


EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties 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

ANSCHUTZ FAMILY INVESTMENT COMPANY, LLC
555 17TH STREET, SUITE 2400
DENVER, CO 80202

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LLC
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