

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF BILL
BARRETT CORPORATION FOR AN ORDER
ESTABLISHING SPACING AND WELL
LOCATION RULES FOR THE ILES FORMATION
OF THE MESAVERDE GROUP FOR CERTAIN
DESCRIBED LANDS IN THE MAM CREEK FIELD
AREA, GARFIELD COUNTY, COLORADO

CAUSE NO. 191

DOCKET NO.

APPLICATION

COMES NOW Bill Barrett Corporation ("Applicant"), a Delaware corporation, by its attorneys, Poulson, Odell & Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order establishing spacing rules applicable to the drilling and producing of wells from the Iles Formation of the Mesaverde Group covering certain described lands in the Mam Creek Field area in Garfield County and in support of its application states and alleges as follows:

1. That Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. That Applicant owns a leasehold interest in the greater portion of following described lands:

Township 6 South, Range 91 West, 6th P. M.

Section 19: N $\frac{1}{2}$ N $\frac{1}{2}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$
Section 20: N $\frac{1}{2}$
Section 21: NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$
Section 22: E $\frac{1}{2}$, N $\frac{1}{2}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 23: S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$
Section 24: SE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$
Section 25: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 26: N $\frac{1}{2}$
Section 27: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$
Section 28: W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$
Section 31: SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 33: E $\frac{1}{2}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$
Section 34: All
Section 35: All
Section 36: All

Township 6 South, Range 92 West, 6th P. M.

Section 13: S $\frac{1}{2}$ SW $\frac{1}{4}$
Section 14: SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 16: SW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 19: All
Section 20: All
Section 21: All
Section 22: All
Section 23: NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
Section 24: All
Section 25: All
Section 26: All
Section 27: All
Section 28: All
Section 29: All
Section 30: All
Section 33: SW $\frac{1}{4}$
Section 34: E $\frac{1}{2}$
Section 35: All
Section 36: All

Township 7 South, Range 91 West, 6th P. M.

Section 1: Lots 1-4, S $\frac{1}{2}$ S $\frac{1}{2}$ (All)
Section 2: Lot 1, SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 5: Lot 4, S $\frac{1}{2}$ SW $\frac{1}{4}$
Section 6: Lots 1, 2, 4, 5, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$
Section 11: All
Section 12: All

Township 7 South, Range 92 West, 6th P. M.

Section 2: That certain 70.233 acres in the W $\frac{1}{2}$ remaining uncommitted to the Hunter Mesa Unit
Section 3: That certain 96.93 acres in the N $\frac{1}{2}$ remaining uncommitted to the Hunter Mesa Unit

(hereinafter "Application Lands")

3. That the following described subject lands are subject to the Commission's Order No. 191-4 in Cause No. 191 which designated such lands as 640 acre drilling and spacing unit for the production of gas and associated hydrocarbons from the Mesaverde Formation with the permitted well to be located no closer than 990 feet to the boundaries of the Unit:

Township 6 South, Range 92 West, 6th P. M.

Section 22: All

Section 24: All
Section 25: All
Section 26: All
Section 27: All
Section 36: All

4. That the following described subject lands are subject to the Commission's Order No. 191-5 in Cause No. 191 which ordered that additional wells, not to exceed sixteen (16) wells, were to be allowed to be drilled in the 640 acre drilling and spacing unit for the production of gas and associated hydrocarbons from the Mesaverde Formation with the permitted well to be located at a distance of at least 400 feet from the outer boundaries of the drilling and spacing unit and no closer than 800 feet to any well or wells producing or producible from the same formation:

Township 6 South, Range 92 West, 6th P. M.
Section 25: All

5. That the following described subject lands are subject to the Commission's Order No. 191-5 in Cause No. 191 which ordered that such 640-acre drilling and spacing unit shall be decreased to 40-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from the Mesaverde Group with the permitted well locations to be located in accordance with Commission Rule 318:

Township 6 South, Range 92 West, 6th P. M.
Section 36: All

6. That the remainder of the described Application Lands are unspaced and subject to the Commission's Rule 318a.

7. That Applicant and others have drilled, tested and completed various wells in the Iles Formation of the Mesaverde Group upon the Application Lands and other nearby lands.

8. That to promote efficient drainage within the Iles Formation of the Mesaverde Group of the Application Lands, the Commission should increase the number of wells which can be optionally drilled into and produced from the Iles Formation of the Application Lands which constitute existing drilling units; which constitute new drilling units (pursuant to the application of Paragraphs 9 through 12 of this Application) or which are unspaced (pursuant to the application of Paragraph 13 of this Application) to the equivalent of one Iles well per 10 acres.

9. That as to the following described Application Lands, the Commission shall order that approximate 640-acre drilling and spacing units be created for the production of gas and associated hydrocarbons from the Iles Formation:

Township 6 South, Range 91 West, 6th P. M.
Section 34: All

Section 35: All

Section 36: All

Township 6 South, Range 92 West, 6th P. M.

Section 20: All

Section 21: All

Section 35: All

Township 7 South, Range 91 West, 6th P. M.

Section 11: All

Section 12: All

10. That as to the following described Application Lands, the Commission shall order that approximate 320-acre drilling and spacing units be created for the production of gas and associated hydrocarbons from the Iles Formation:

Township 6 South Range 91 West, 6th P. M.

Section 19: N/2

Section 20: N/2

Section 22: E/2

Section 23: S/2

Section 25: N/2

Section 26: N/2

Section 27: S/2

Section 33: E/2

Township 6 South, Range 92 West, 6th P.M.

Section 23: S/2

Section 24: W/2

Section 28: N/2

Township 7 South, Range 91 West, 6th P.M.

Section 1: All

11. That as to the following described Application Lands, the Commission shall order that approximate 160-acre drilling and spacing units be created for the production of gas and associated hydrocarbons from the Iles formation:

Township 6 South, Range 92 West, 6th P.M.

Section 28: SW $\frac{1}{4}$

Section 28: SE $\frac{1}{4}$

Section 29: NE $\frac{1}{4}$

Section 33: SW $\frac{1}{4}$

Section 34: NE $\frac{1}{4}$

12. That as to the following approximate 80-acre drilling and spacing units be created for the production of gas and associated hydrocarbons from the Iles formation:

Township 6 South Range 92 West, 6th P.M.

Section 34: N/2SE $\frac{1}{4}$

Section 34: S/2SE $\frac{1}{4}$

13. That as to the remainder of the Application Lands [unspaced], Commission shall order that all future Iles wells should be located downhole anywhere upon the such Application Lands but no closer than 100 feet from the boundaries of any lease line unless such lease line abuts or corners lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill Iles Formation 10 acre density wells in which event the wells should be drilled downhole no closer than 400 feet from the lease line which so abuts or corners the lands in respect of which 10 acre density downhole drilling for Williams Fork wells has not been ordered by the Commission.

14. That as to all future Williams Fork wells to be drilled upon the Application Lands within drilling spacing units (either preexisting or granted pursuant to this Application), the well should be located downhole anywhere in the drilling and spacing unit but no closer than 100 feet from the boundaries of the unit without exception being granted by the Director of the Oil and Gas Conservation Commission. It is provided however that in cases where the Application Lands abut or corner lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill 10 acre density Iles wells, the well should be located downhole no closer than 400 feet from the boundary or boundaries of the drilling unit so abutting or cornering such lands without exception being granted by the Director of the Oil and Gas Conservation Commission.

15. That all Iles wells and all Williams Fork wells drilled upon the Application Lands will be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter quarter section unless exception is granted by the Director of the Colorado Oil and Gas Conservation Commission.

16. That the above-proposed spacing and well location rules will allow development of the Iles Formation to occur; will not promote waste; will not violate correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoir.

17. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in April, 2005, that notice be given as required by law and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated this _____ day of February, 2005.

POULSON, ODELL & PETERSON, LLC

By: _____
William A. Keefe
Suite 1400
1775 Sherman Street
Denver, Colorado 80203

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

William R. Givan, of lawful age, being first duly sworn upon oath, deposes and says that he is the Landman for Bill Barrett Corporation and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

William R. Givan

Subscribed and sworn to before me this _____ day of February, 2005.

Witness my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT A

IN THE MATTER OF THE APPLICATION OF BILL
BARRETT CORPORATION FOR AN ORDER
ESTABLISHING SPACING AND WELL
LOCATION RULES FOR THE ILES FORMATION
OF THE MESAVERDE GROUP FOR CERTAIN
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AREA, GARFIELD COUNTY, COLORADO

DOCKET NO.

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

That he is the attorney for Bill Barrett Corporation, that on February ____, 2005 he caused a copy of the attached Application in the subject docket to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

My commission expires:

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