

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

IN THE MATTER OF THE APPLICATION	)	
OF BERRY PETROLEUM COMPANY FOR	)	
AN ORDER ESTABLISHING SPACING	)	
AND WELL LOCATION RULES FOR THE	)	
WILLIAMS FORK FORMATION OF THE	)	Cause No. 510
MESAVERDE GROUP FOR CERTAIN	)	Docket No. _____
DESCRIBED LANDS IN THE GRAND	)	
VALLEY FIELD, GARFIELD COUNTY,	)	
COLORADO	)	

APPLICATION

Berry Petroleum Company (“Applicant”), by and through its undersigned attorneys, respectfully submit this Application to the Oil and Gas Conservation Commission of the State of Colorado (the “Commission”) for an order establishing field rules applicable to the drilling and producing of wells from the Williams Fork Formation of the Mesaverde Group covering certain described lands in the Grand Valley Field, Garfield County, Colorado and in support of its Application state and allege as follows:

- 1. Applicant is a business entity duly authorized to conduct business in the State of Colorado.
- 2. Applicant owns leasehold interests in all or portions of the lands described as follows:

Township 5 South, Range 96 West, 6<sup>th</sup> P.M.  
Section 19: Lot 1 (N/2 NW/4), containing 51.29 acres  
Section 33: S/2N/2 and the West 32 rods of the NW/4NW/4, containing 176 acres, more or less  
Section 36: SW/4, containing 160 acres more or less

Township 6 South, Range 96 West, 6<sup>th</sup> P.M.  
Section 5: W/2 SE/4, containing 80 acres more or less

Township 6 South, Range 97 West, 6<sup>th</sup> P.M.  
Section 1: N/2, containing approximately 553 acres more or less  
Section 2: N/2, containing approximately 551 acres more or less  
Section 34: W/2, containing approximately 108 acres, more or less

Garfield County, Colorado.

(hereafter the “Application Lands”).

- 3. That a portion of the Application Lands are subject to previous Orders of the Commission designating setbacks and allowable densities for well drilling (but do not establish drilling and spacing units per se), and a portion of the Application Lands are subject to the Commission’s Rule 318.a. governing locations of wells on unspaced lands, as set forth in paragraph 6 below.
- 4. That the following described Application Lands are subject to the Commission’s Order No. 510-11, which provides for optional drilling of wells equivalent to one per 10 acres with the permitted wells to be located anywhere within the drilling and spacing unit but no closer than 100 feet from the boundaries of the unit without exception being granted by the Director, except that with respect to units abutting or cornering lands for which the Commission has not at the time of the drilling permit application granted the right to drill 10-acre density wells, the well shall be located downhole no closer than 200 feet from the boundary or boundaries of the drilling unit so abutting or cornering such lands:

Township 6 South, Range 96 West, 6<sup>th</sup> P.M.  
Section 5: W/2 SE/4

5. That the following described Application Lands are subject to the Commission's Order No. 510-13, which provides for optional drilling of wells equivalent to one per 10 acres, with the permitted wells to be located anywhere within the Application Lands but no closer than 100 feet from any lease line without exception being granted by the Director, except that (1) with respect to lease lines abutting or cornering lands for which the Commission has not at the time of the drilling permit application granted the right to drill 10-acre density wells, the well shall be located downhole no closer than 200 feet from the lease line so abutting or cornering such lands, and (2) no more than four Williams Fork wells should be drilled downhole per governmental quarter quarter section:

Township 5 South, Range 96 West, 6<sup>th</sup> P.M.  
Section 36: SW/4

6. That the remainder of the Application Lands are subject to Commission Rule 318.a. which requires that wells drilled in excess of two thousand five hundred (2,500) feet in depth be located not less than six hundred (600) feet from any lease line, and located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

7. That Applicants have drilled, tested and completed multiple wells in the Williams Fork Formation of the Mesaverde Group upon the Application Lands and/or other nearby lands.

8. That the allowable well density in much of the lands adjacent to the Application Lands is consistent with the requested density in this Application, pursuant to various orders of the Commission including Order Nos. 510-11, 510-13 and 510-18.

9. That to promote efficient drainage within the Williams Fork Formation of the Mesaverde Group of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish drilling and spacing units of the approximate size and configuration as described in paragraph 2 above; and increase the number of wells which can be optionally drilled into and produced from the Williams Fork Formation of the Application Lands to the equivalent of one well per 10 acres.

10. That as to all future Williams Fork wells to be drilled upon the Application Lands, each well may be located anywhere downhole in the established drilling and spacing unit but no closer than 100 feet from the boundaries of the unit or any lease line, without exception being granted by the Director, except that (1) with respect to units or lease lines abutting or cornering lands for which the Commission has not at the time of the drilling permit application granted the right to drill 10-acre density wells, the well shall be located downhole no closer than 200 feet from the boundary of the drilling unit or lease line so abutting or cornering such lands, and (2) no more than four Williams Fork wells should be drilled downhole per governmental quarter quarter section.

11. Applicants commit that wells to be drilled under this Application will be drilled, on average, if topographically feasible throughout the Application Lands, 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.

12. That the above-proposed spacing and well location rules will allow more efficient drainage of the Williams Fork Formation of the Mesaverde Group; will prevent waste; will not adversely effect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoir.

13. 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, Applicants respectfully request 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 consistent with Applicants' proposals as set forth above in paragraphs 9 through 11 and for such further relief as the Commission may deem just and advisable.

Dated this 26<sup>th</sup> day of June, 2006.

Respectfully submitted,

BERRY PETROLEUM COMPANY

By: \_\_\_\_\_  
Michael J. Wozniak  
Beatty & Wozniak, P.C.  
Attorneys for Applicants  
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Denver, Colorado 80202  
(303) 407-4499  
Fax: (303) 407-4494

Applicant's Address:  
950 17<sup>th</sup> St., Suite 2400  
Denver, CO 80202

VERIFICATION

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

Mary Ann Adams, of lawful age and being first duly sworn upon oath, states and declares that she is a Senior Landman for Berry Petroleum Company, Applicant herein; that she has read the above and foregoing Application, knows the contents thereof, and that the allegations and matters therein stated are true and correct to the best of her knowledge.

\_\_\_\_\_  
Mary Ann Adams

Subscribed and sworn to before me this \_\_\_\_ day of June, 2006, by Mary Ann Adams.

WITNESS MY HAND AND OFFICIAL SEAL.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

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COLORADO )

EXHIBIT A

INTERESTED PARTIES

PGR Partners, LLC 370 17 <sup>th</sup> Street, Suite 4300 Denver, CO 80202	Pamela Morris Cooper 920 Meeker Street Fort Morgan, CO 80701
Teton Piceance, LLC 410 17 <sup>th</sup> Street, Suite 1850 Denver, CO 80202	Germaine B. Eaton, Trustee of the Survivor's Trust of the Eaton Estate Trust dated July 14, 1994 843 Mason Street San Francisco, CA 94108
EnCana Oil & Gas (USA) Inc. 370 17 <sup>th</sup> Street, Suite 1700 Denver, CO 80202	Henry H. Gordon 10858 E. Berry Pl Englewood, CO 80111-3912
Chevron U.S.A. Inc. P.O. Box 285 Houston, TX 77001	Henry H. Gordon 4760 E. Colorado Ave. Denver, CO 80222
Petroleum Development Corporation 103 E. Main St. Bridgeport, WV 26330	John Richard Latham & Margaret K. Latham Julie Anne Cox & Thomas A. Cox P. O. Box 441 Collbran, CO 81624-0441
Williams Production RMT Company 1515 Arapahoe St., Tower 3, Suite 1000 Denver, CO 80202	Opal C. Latham c/o LeRoy B. Latham P.O. Box 127 DeBeque, CO 81630
ABO Petroleum Corporation Myco Industries, Inc. Yates Drilling Company Yates Petroleum Corporation 105 S. 4 <sup>th</sup> St. Artesia, NM 88210	Musgrave Family, LLLP 629 W. North Street Aspen, CO 81611
Bureau of Land Management 2850 Youngfield St. Lakewood, CO 80215-7076	Jesse Smith Garfield County 144 E. 3 <sup>rd</sup> Rifle, CO 81650
OXY USA WTP LP 5 Greenway Plaza, Suite 110 Houston, TX 77046	
Puckett Land Company 5460 S. Quebec St., Suite 250 Greenwood Village, CO 80111-1917	