

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)	CAUSE NO. 510
LOCATION RULES FOR THE WILLIAMS FORK)	
FORMATION OF THE MESA VERDE GROUP)	DOCKET NO. _____
FOR CERTAIN LANDS IN THE MAMM CREEK)	
FIELD, GARFIELD COUNTY, COLORADO)	

APPLICATION

Berry Petroleum Company ("Applicant") by its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully requests the Colorado Oil & Gas Conservation Commission ("Commission") issue an order establishing a 276.04-acre drilling and spacing unit for production of gas and associated substances from the Williams Fork formation, and establishing well location rules applicable to wells drilling to and producing from the Williams formation covering the following described lands in Garfield County, Colorado (the "Lands"):

Township 6 South, Range 97 West, 6th P.M.
Section 1: Lots 9 through 24 (N½)
Containing 552.72 acres, more or less

In support of this Application, Applicant states as follows:

1. Applicant is a corporation authorized to conduct business in Colorado.
2. Applicant owns leasehold interests in all or a portion of the Lands.

3. On August 25, 2006, the Commission entered Order No. 510-25 dated as of August 16, 2006, and corrected July, 2007, which established a 552.72-acre drilling and spacing unit for the production of gas and associated hydrocarbons from the Williams Fork formation of the Mesaverde Group. In Order No. 510-25 the Commission allowed the equivalent of one well per 10 acres and that each well shall 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, except that 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. The Commission further ordered that no more than four Williams Fork wells shall be drilled downhole per governmental quarter quarter section and that such well be drilled from no more than one pad located in a given quarter-quarter section unless exception is granted by the Director of the Commission.

4. To promote efficient drainage and protect correlative rights within the Williams Fork formation, Applicant requests the Commission vacate the existing 552.72-acre drilling and spacing unit covering the Lands and establish two spacing units in its place: a 276.04-acre drilling and spacing unit covering the NW1/4 of Section 1 and a 276.68-acre drilling and spacing unit covering the NE1/4 of Section 1. Both spacing units would cover only production of gas and associated substances from the Williams Fork formation in the Lands.

5. Applicant also requests the Commission re-authorize, to the extent necessary, those provisions of Order No. 510-25 which allow (a) the equivalent of one well per 10 acres; and (b) each well to 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, except that 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.

6. Due to the size of each proposed spacing unit, Applicant requests the Commission allow no more than four Williams Fork wells shall be drilled downhole per approximate 40-acre governmental tract, rather than per each quarter quarter section and that such well be drilled from no more than one pad located in an approximate 40-acre tract unless exception is granted by the Director of the Commission.

7. For the purposes of oil and gas exploration and development, the Lands are comprised of three tracts. The NW1/4 (Lots 9, 10, 15, 16, 19, 20, 21 and 22) are held by and subject to an oil and gas lease owned by Berry Petroleum Company and its partners. Lots 11, 12, 13, 14, 23 and 24 are subject to a different oil and gas lease owned by Marathon Oil Company. The minerals underlying Lots 17 and 18 are owned by the United States and are held by a oil and gas lease owned by Williams Production RMT Company. Collectively, the latter two leases cover the entire NE1/4 (Lots 11, 12, 13, 14, 17, 18, 23 and 24).

8. The parties have developed the NE1/4 and NW1/4 as separate units. Applicant and its partners have drilled wells in the NW1/4, making all drilling decisions and paying all costs without the participation of Marathon Oil Company. Marathon Oil Company has drilled one well in the NE1/4 without offering Applicant the opportunity to participate in such well and without requesting Applicant pay its proportionate share of costs. No joint operating agreement has been executed.

9. With respect to the S1/2 of Section 1 in Township 6 South, Range 96 West, and much of the adjacent land, which has a "checkerboard" ownership pattern similar to the Lands and is subject to a similar spacing order, the parties or their predecessors in interest agreed to segregate their separately owned leases into segregation agreements so that each quarter section could be developed separately.

10. Because the minerals underlying Lots 17 and 18 are owned by the United States, establishment of spacing units covering the NE1/4 and NW1/4 is necessary to allow the United States Bureau of Land Management to execute a Communitization Agreement covering the NE1/4.

11. Applicant requests the Commission authorize the Director of the Commission, without additional notice and hearing, to grant exceptions to well locations for good cause shown (including but not limited to surface owner requests) provided a waiver is obtained from the lease owner toward whom the well location is proposed to be moved. If a waiver cannot be obtained, then the well operator may apply to the Commission for a variance.

12. Applicant believes the spacing and well location rules (a) will allow more efficient drainage of the Williams Fork formation, (b) will not promote waste, (c) will not violate

correlative rights and (d) will assure the greatest ultimate recovery of gas and associated substances from the reservoir.

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

14. Applicant respectfully requests this matter be set for hearing in August, 2008, that notice be given as required by law and that upon such hearing the Commission enter its order consistent with Applicant's proposals as set forth above.

Respectfully submitted on June 30, 2008.

WELBORN SULLIVAN MECK & TOOLEY, P.C.

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VERIFICATION

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

_____, of lawful age, being first duly sworn upon oath, deposes and says that he is _____ of Berry Petroleum Company, that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Berry Petroleum Company

By: _____

Subscribed and sworn to before me this ____ day of June 2007.

Witness my hand and official seal.

Notary Public

My commission expires: _____

Certificate of Service

I hereby certify that on June ____, 2008, I caused a true and correct copy of this Application to be served deposited in the United States mail, postage prepaid, addressed to each of the parties listed on Exhibit A to the Application.

Melissa Morman

EXHIBIT A
WORKING INTEREST OWNERS, UNLEASED MINERAL
INTEREST OWNERS AND OTHER INTERESTED PARTIES

Williams Production RMT Company
1515 Arapahoe Street
Tower 3, Suite 1000
Denver, CO 80202
Attn: Highlands Landman

Marathon Oil Company
PO Box 3487
Houston , TX 77253-3487
Attn: Peggy Gilbert

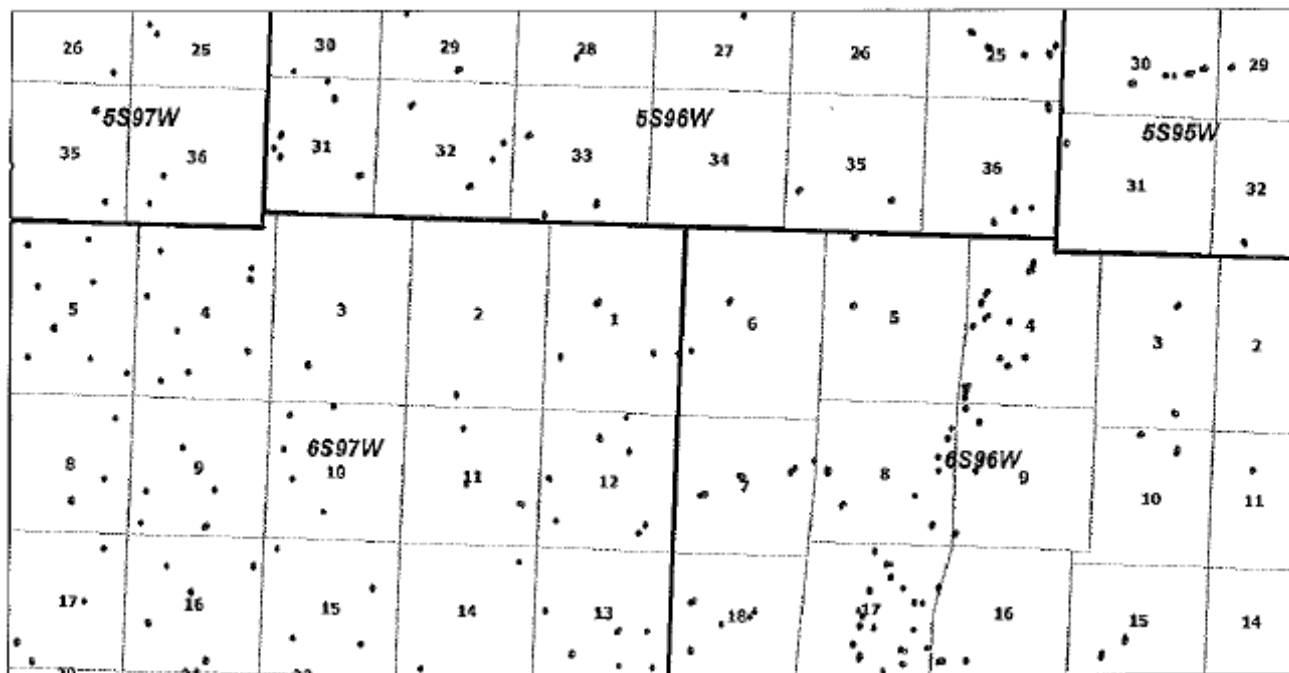
Bureau of Land Management
2425 S. Grand Avenue, Suite 101
Glenwood Springs, CO 81601

Chevron U.S.A. Inc. (as Lessor)
111111 S. Wilcrest
Houston, TX 77099
Attn: Kevin Goldstein

Berry Petroleum Partners:
Teton Piceance LLC
410 17th Street, Suite 1850
Denver, CO 80202
Attn: Land Department

PGR Partners LLC
Delta Petroleum Corporation
370 17th Street, Suite 4300
Denver, CO 80202
Attn: Lyle Coe

REFERENCE MAPS



552.72 Acre Spacing Unit for the Williams Fork Formation

