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 WELL SPACING AND WELL LOCATION RULES FOR THE GOTHIC SHALE FORMATION UNDERLYING CERTAIN DESCRIBED LANDS IN MONTEZUMA COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW Bill Barrett Corporation ("Applicant"), a Delaware corporation, by its attorneys, Beatty & Wozniak, P.C., and makes this application to the Oil and Gas Conservation Commission of the State of Colorado for an order establishing spacing and well location rules applicable to the drilling and producing of horizontal wells from the Gothic Shale Formation underlying certain lands in Montezuma County, Colorado 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 all or a portion of the leasehold interests in the following described lands:

Township 38 North, Range 16 West, N.M.P.M.

Section 3: Lots 1(40.32), 2(40.61), 3(40.70), 4(40.79), S/2N/2, S/2 Section 4: Lots 1(40.78), 2(40.66), 3(40.54), 4(40.43), S/2N/2, S/2 Lots 1(40.29), 2(40.11), 3(39.93), 4(39.76), S/2N/2, S/2 Section 5: Section 6: Lots 1(39.72), 2(39.80), 3(39.88), 4(35.62), 5(35.78), 6(35.90), 7(36.03), S/2NE/4, SE/4NW/4, E/2SW/4, SE/4 Lots 1(36.22), 2(36.46), 3(36.17), 4(36.95), E/2W/2, E/2 Section 7: Section 8: ΑII Section 9: ΑII Section 10: All Section 14: All Section 15: All Section 16: All Section 17: All Section 18: Lots 1(37.21), 2(37.47), 3(37.73), 4(37.99), E/2W/2, E/2 Section 19: Lots 1(38.18), 2(38.31), 3(38.44), 4(38.57), E/2W/2, E/2 Section 20: All Section 21: All Section 22: All Section 23: All Section 26: All

Section 27: All Section 28: All Section 29: All

Section 30: Lots 1(38.76), 2(39.00), 3(39.24), 4(39.48), E/2W/2, E/2 Section 31: Lots 1(39.42), 2(39.06), 3(38.70), 4(38.34), E/2W/2, E/2

Section 32: All Section 33: All Section 34: All Section 35: All

(hereinafter "Application Lands")

- 3. That the Application Lands are unspaced as to the Gothic Shale Formation and subject to the Commission's Rule 318.
- 4. That Applicant has undertaken an exploration program by the drilling of horizontal wells into the Gothic Shale Formation in the area of the Application Lands and has determined that potentially commercial reserves of gas are recoverable from this formation underlying the Application Lands.
- 5. That to promote efficient drainage within this formation underlying the Application Lands, the Commission should establish the following described approximate 1,280 acre drilling and spacing units consisting of the Application Lands and permit the drilling on each of these drilling and spacing units up to a maximum of eight (8) horizontal wells:

Spacing Unit No. #1

Section 3: Lots 1(40.32), 2(40.61), 3(40.70), 4(40.79), S/2N/2, S/2

Section 10: All

Spacing Unit No. #2

Section 4: Lots 1(40.78), 2(40.66), 3(40.54), 4(40.43), S/2N/2, S/2

Section 9: All

Spacing Unit No. #3

Section 5: Lots 1(40.29), 2(40.11), 3(39.93), 4(39.76), S/2N/2, S/2

Section 8: All

Spacing Unit No. #4

Section 6: Lots 1(39.72), 2(39.80), 3(39.88), 4(35.62), 5(35.78), 6(35.90),

7(36.03), S/2NE/4, SE/4NW/4, E/2SW/4, SE/4

Section 7: Lots 1(36.22), 2(36.46), 3(36.17), 4(36.95), E/2W/2, E/2

Spacing Unit No. #5

Section 14: All Section 23: All

Spacing Unit No. #6

Section 15: All Section 22: All

Spacing Unit No. #7 Section 16: All Section 21: All

Spacing Unit No. #8 Section 17: All Section 20: All

Spacing Unit No. #9

Section 18: Lots 1(37.21), 2(37.47), 3(37.73), 4(37.99), E/2W/2, E/2 Section 19: Lots 1(38.18), 2(38.31), 3(38.44), 4(38.57), E/2W/2, E/2

Spacing Unit No. #10

Section 26: All Section 35: All

Spacing Unit No. #11

Section 27: All Section 34: All

Spacing Unit No. #12

Section 28: All Section 33: All

Spacing Unit No. #13

Section 29: All Section 32: All

Spacing Unit No. #14

Section 30: Lots 1(38.76), 2(39.00), 3(39.24), 4(39.48), E/2W/2, E/2 Section 31: Lots 1(39.42), 2(39.06), 3(38.70), 4(38.34), E/2W/2, E/2

(See attached Exhibit A)

- 6. That as to each horizontal well drilled within a given approximate 1,280 acre drilling and spacing unit, the surface location for the well may be located anywhere upon the drilling unit (or adjoining lands to such unit) provided that the horizontal leg into the Gothic Shale Formation shall not be any closer than 460 feet to the outside boundary of the drilling unit and the terminus of the horizontal leg shall not be any closer than 460 feet to the outside boundary of the drilling unit without exception being granted by the Director of the Oil and Gas Conservation Commission.
- 7. That as to the horizontal wells to be drilled into and produced from a given approximate 1,280 acre drilling and spacing unit, such wells will be drilled from no more than 8 pads located on the surface of such unit or adjoining lands to the unit. It is provided, however, that Applicant, in circumstances where topographic and surface owner approval conditions permit, will undertake reasonable efforts to utilize even fewer pads by locating its pads near the center of a given drilling and spacing unit.

- 8. The granting of this application 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.
- 9. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit B attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in March 2009, 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.

Daled: February, 2009	Dated:	February	, 2009
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Bv:

William A. Keefe Beatty & Wozniak, P.C. 216 Sixteenth Street-Suite 1100 Denver, Colorado 80202-5115 (ph) 303-407-4475

VERIFICATION

Exhibit A

Exhibit B

Interested Parties

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IN THE MATTER OF THE APPLICATION OF BILL BARRETT CORPORATION FOR AN ORDER ESTABLISHING SPACING AND WELL LOCATION RULES FOR THE GOTHIC SHALE FORMATION UNDERLYING CERTAIN DESCRIBED LANDS IN MONTEZUMA COUNTY, COLORADO	CAUSE NO. DOCKET NO.			
AFFIDAVIT OF MAILING				
STATE OF COLORADO))ss.				
CITY AND COUNTY OF DENVER)				
William A. Keefe of lawful age, and being declares:	first duly sworn upon his oath, states and			
That he is the attorney for Bill Barrett Corporat caused a copy of the attached Application to be d prepaid, addressed to the parties listed on Exhibit B to	eposited in the United States Mail, postage			
Willian	m A. Keefe			
Subscribed and sworn to before me February _	, 2009.			
Witness my hand and official seal.				
My commission expires:				
Notan	y Public			
inotary	y i dollo			