

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

|  |   |                                  |
|--|---|----------------------------------|
| IN THE MATTER OF AN APPLICATION OF BILL                | ) |                                  |
| BARRETT CORPORATION FOR AN ORDER                       | ) | CAUSE NO. 407                    |
| ALLOWING AN ADDITIONAL SEVEN                           | ) |                                  |
| HORIZONTAL WELLS, FOR A TOTAL OF UP TO                 | ) | DOCKET NO. <i>To be assigned</i> |
| EIGHT HORIZONTAL WELLS FOR THE                         | ) |                                  |
| APPROXIMATE 640-ACRE DRILLING AND                      | ) |                                  |
| SPACING UNIT ESTABLISHED FOR SECTION 21,               | ) |                                  |
| TOWNSHIP 5 NORTH, RANGE 61 WEST, 6 <sup>TH</sup> P.M., | ) |                                  |
| NIOBARA FORMATION, WATTENBERG FIELD,                   | ) |                                  |
| WELD COUNTY, COLORADO                                  | ) |                                  |

APPLICATION

Bill Barrett Corporation ("BBC" or "Applicant"), by and through its attorneys, Burleson LLP, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order: (1) authorizing the drilling of seven (7) additional horizontal wells, for a total of up to eight (8) horizontal wells, for the approximate 640-acre drilling and spacing unit established for Section 21, Township 5 North, Range 61 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, and (2) maintaining the 160-acre drilling and spacing unit designated for the NE¼ of said Section 21 for the existing Pronghorn #31-21 Well, which produces oil, gas and associated hydrocarbons from the Niobrara 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 5 North, Range 61 West, 6<sup>th</sup> P.M.  
Section 21: All

These lands are hereinafter referred to as the "Application Lands." A map depicting the acreage comprising the Application Lands is attached hereto and marked as Exhibit A.

*Maintaining the 160-acre spacing unit designated for the NE¼ of Sec. 21, T5N, R61W*

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 this rule for the Niobrara Formation.

4. On or about October 5, 2006, Bonanza Creek Energy Operating Company, LLC, completed the Pronghorn #31-21 Well, API No. 05-123-29990 (the "Well"), having designated an approximate 160-acre drilling and spacing unit for the NE¼ of Section 21, Township 5 North, Range 61 West, 6<sup>th</sup> P.M. to accommodate the Well, which produces oil, gas and associated hydrocarbons from the Niobrara Formation. Under this Application BBC is not requesting a change to the unit acreage assigned to the Well or the distribution of proceeds from the Well.

*Requesting Additional Horizontal Wells for Sec. 21, T5N, R61W*

5. On or about February 22, 2011, the Commission entered Order No. 535-4 (subject to pending corrections) which, among other things, established 640-acre drilling and spacing units for certain lands, including the Application Lands, and approved one horizontal well for each unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the surface location for any permitted well to be located anywhere on the surface, consistent with Rule 318A., and the treated interval of the wellbore to be no closer than 460 feet from the boundaries of the unit, without exception being granted by the Director.

6. Pursuant to §34-60-116(4), C.R.S., Applicant requests the Commission authorize the drilling of additional wells with the drilling and spacing unit established for the Application Lands. Applicant requests the Commission order authorizing up to seven (7) additional horizontal wells, for a total of up to eight (8) horizontal wells, for the approximate 640-acre drilling and spacing unit established for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

7. Applicant states that those horizontal wells to be drilled under this Application will make reasonable efforts to minimize surface impacts by utilizing multi-well pads on the drilling unit, or on adjacent lands with consent of the landowner, without exception being granted by the Director.

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 250 feet from the treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director.

9. Applicant asserts that additional wells are necessary to prevent waste, protect correlative rights, and to assure the maximum efficient recovery of oil, gas and association hydrocarbons from the Niobrara Formation underlying the Application Lands.

10. 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 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. Authorizing the drilling of seven (7) additional horizontal wells, for a total of up to eight (8) horizontal wells, for the approximate 640-acre drilling and spacing unit established for Section 21, Township 5 North, Range 61 West, 6<sup>th</sup> P.M., for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.

B. Requiring that for any permitted wells to be drilled under this Application, the treated intervals of the wellbore shall be not less than 460 feet from the unit boundaries and an inter-well setback shall be not less than 250 feet from the treated interval of a well producing from the Niobrara Formation, without exception being granted by the Director.

C. Maintaining the 160-acre drilling and spacing unit designated for the NE¼ of Section 21, Township 5 North, Range 61 West, 6<sup>th</sup> P.M., for the existing Pronghorn #31-21 Well, which produces oil, gas and associated hydrocarbons from the Niobrara Formation.

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

DATED this 7<sup>th</sup> day of March, 2013.

Respectfully submitted,

BILL BARRETT CORPORATION

By: 

Robert A. Willis (Colorado Bar No. 26308)  
Burleson LLP  
Wells Fargo Center  
1700 Lincoln Street, Suite 1300  
Denver, CO 80203  
(303) 801-3200

Applicant's Address:  
Bill Barrett Corporation  
Attn: Hal Writer, Senior Landman  
1099 18<sup>th</sup> Street, Suite 2300  
Denver, CO 80202

## VERIFICATION

STATE OF COLORADO

)

) ss.

CITY &amp; COUNTY OF DENVER

)

Hal Writer, Senior Landman 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

Galina

Hal Writer

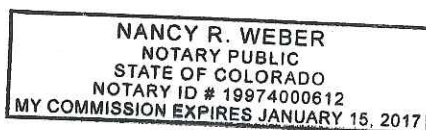
Subscribed and sworn to before me this 7<sup>th</sup> day of March, 2013, by Hal Writer,  
Senior Landman for Bill Barrett Corporation.

Witness my hand and official seal.

My commission expires: 1-15-2017

Notary Public

Notary Public

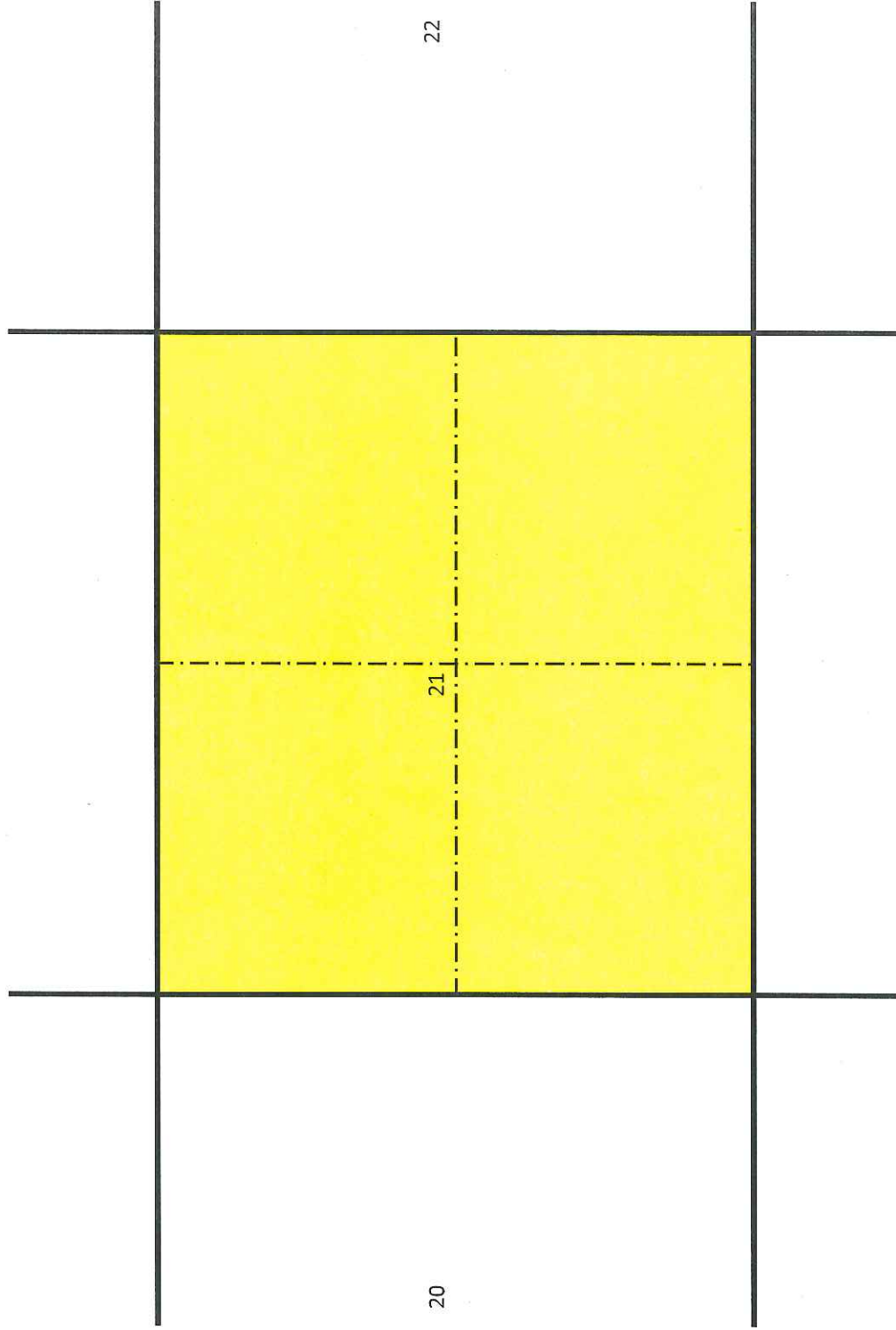


**Exhibit A**  
Application Map

Sec. 21, T5N, R61W  
Weld County



Application lands -



## EXHIBIT B

### INTERESTED PARTIES

The names and addresses of the interested parties (owners within Section 21, Township 5 North, Range 61 West, 6<sup>th</sup> P.M.) according to the information and belief of the Applicant are set forth in this Exhibit B.

Bill Barrett Corporation  
1099 18<sup>th</sup> Street, Suite 2300  
Denver, CO 80202

Robert A. Willis  
Burleson LLP  
1700 Lincoln St., Suite 1300  
Denver, CO 80203

Energy Liaison  
Colorado Parks & Wildlife  
6060 Broadway  
Denver, CO 80216

Kent Kuster  
Colorado Department of Public Health and  
Environment  
4300 Cherry Creek Drive South  
Denver, CO 80246

David Bauer  
Weld County LGD  
1111 H Street  
Greeley, CO 80632

Bonanza Creek Energy Operating Co. LLC  
5601 Truxton Ave., Suite 210  
Bakersfield, CA 93309

ConocoPhillips Company  
600 North Dairy Ashford  
P.O. Box 2197  
Houston, TX 77252-2197

Heirs of M.A. Bresnahan  
c/o Well Fargo Bank Trust Dept.  
1740 Broadway  
Denver, CO 80274