

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

IN THE MATTER OF AN APPLICATION FOR AN)	CAUSE NO. 407
ORDER TO ESTABLISH AN APPROXIMATE 640-)	
ACRE DRILLING AND SPACING UNIT FOR)	DOCKET NO. <i>To be assigned</i>
SECTION 9, TOWNSHIP 6 NORTH, RANGE 66)	
WEST, 6 TH P.M., FOR HORIZONTAL WELL)	
DEVELOPMENT OF THE CODELL 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) maintaining the approximate 80-acre drilling and spacing units previously established for Section 9, Township 6 North, Range 66 North, 6th P.M., for any existing well capable of producing oil, gas and associated hydrocarbons from the Codell Formation; and (2) establishing an approximate 640-acre drilling and spacing unit for said Section 9, and authorizing the drilling of up to four (4) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell 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 the entire leasehold interests in the below-listed lands:

Township 6 North, Range 66 West, 6th P.M.
Section 9: 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 80-acre drilling and spacing units established by Order No. 407-87

3. On or about February 19, 1992, the Commission entered Order No. 407-87 (which was amended on August 23, 1993) which, among other things, established 80-acre drilling and spacing units for certain lands, including the Application Lands, with permitted well locations in accordance with the provisions of Order No. 407-1, for the production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations.

4. 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 Codell Formation.

5. BBC operates the A & N Farms #12-9 Well, API #05-123-22621, a well producing hydrocarbons from the Codell and Niobrara Formations and spaced under Order No. 407-87, said well located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 9, Township 6 North, Range 66 West, 6th P.M. Under this Application, BBC is not requesting a change to the unit acreage assigned to the A & N Farms #12-9 Well; Order No. 407-87 is to be maintained and the distribution of proceeds from the well will continue to be allocated on an 80-acre basis.

6. BBC operates the CEI-Gutterson #1 Well, API #05-123-12383, a well producing hydrocarbons from the Codell Formation, said well located in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9, Township 6 North, Range 66 West, 6th P.M. Under this Application, BBC is not requesting a change to the unit acreage assigned to the CEI-Gutterson #1 Well; the 80 acres assigned to the well is to be maintained and the distribution of proceeds from the well will continue to be allocated on an 80-acre basis.

7. BBC operates the Lovely #14-9 Well, API #05-123-22620, a well producing hydrocarbons from the Codell and Niobrara Formations and spaced under Order No. 407-87, said well located in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9, Township 6 North, Range 66 West, 6th P.M. Under this Application, BBC is not requesting a change to the unit acreage assigned to the Lovely #14-9 Well; Order No. 407-87 is to be maintained and the distribution of proceeds from the well will continue to be allocated on an 80-acre basis.

8. BBC operates the A & N Farms #21-9 Well, API #05-123-13983, a well producing hydrocarbons from the Codell Formation, said well located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 9, Township 6 North, Range 66 West, 6th P.M. Under this Application, BBC is not requesting a change to the unit acreage assigned to the A & N Farms #21-9 Well; the 80 acres assigned to the well is to be maintained and the distribution of proceeds from the well will continue to be allocated on an 80-acre basis.

9. BBC operates the A & N Farms #22-9 Well, API #05-123-13999, a well producing hydrocarbons from the Codell Niobrara Formations, said well located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 9, Township 6 North, Range 66 West, 6th P.M. Under this Application, BBC is not requesting a change to the unit acreage assigned to the A & N Farms #22-9 Well; the 80 acres assigned to the well is to be maintained and the distribution of proceeds from the well will continue to be allocated on an 80-acre basis.

10. BBC operates the Gutterson #23-9 Well, API #05-123-23118, a well producing hydrocarbons from the Codell Formation and spaced under Order No. 407-87, said well located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9, Township 6 North, Range 66 West, 6th P.M. Under this Application, BBC is not requesting a change to the unit acreage assigned to the Gutterson #23-9 Well; Order No. 407-87 is to be maintained and the distribution of proceeds from the well will continue to be allocated on an 80-acre basis.

11. BBC operates the Lovely #1 Well, API #05-123-12684, a well capable of producing hydrocarbons from the Codell and Niobrara Formations, said well located in the SE $\frac{1}{4}$

SW¼ of Section 9, Township 6 North, Range 66 West, 6th P.M. Under this Application, BBC is not requesting a change to the unit acreage assigned to the Lovely #1 Well; the 80 acres assigned to the well is to be maintained and the distribution of proceeds from the well will continue to be allocated on an 80-acre basis.

12. BBC operates the Indian Tree #31-9 Well, API #05-123-14020, a well producing hydrocarbons from the Codell and Niobrara Formations, said well located in the NW¼ NE¼ of Section 9, Township 6 North, Range 66 West, 6th P.M. Under this Application, BBC is not requesting a change to the unit acreage assigned to the Indian Tree #31-9 Well; the 80 acres assigned to the well is to be maintained and the distribution of proceeds from the well will continue to be allocated on an 80-acre basis.

13. BBC operates the Indian Tree #32-9 Well, API #05-123-23262, a well producing hydrocarbons from the Codell and Niobrara Formations and spaced under Order No. 407-87, said well located in the SW¼ NE¼ of Section 9, Township 6 North, Range 66 West, 6th P.M. Under this Application, BBC is not requesting a change to the unit acreage assigned to the Lovely #32-9 Well; Order No. 407-87 is to be maintained and the distribution of proceeds from the well will continue to be allocated on an 80-acre basis.

14. BBC operates the Lucas School #34-9 Well, API #05-123-14000, a well producing hydrocarbons from the Codell, Ft. Hays, and Niobrara Formations, said well located in the SW¼ SE¼ of Section 9, Township 6 North, Range 66 West, 6th P.M. Under this Application, BBC is not requesting a change to the unit acreage assigned to the Lucas School #34-9 Well; the 80 acres assigned to the well is to be maintained and the distribution of proceeds from the well will continue to be allocated on an 80-acre basis.

15. BBC operates the Indian Tree #1 Well, API #05-123-12706, a well producing hydrocarbons from the Codell and Niobrara Formations, said well located in the NE¼ NE¼ of Section 9, Township 6 North, Range 66 West, 6th P.M. Under this Application, BBC is not requesting a change to the unit acreage assigned to the Indian Tree #1 Well; the 80 acres assigned to the well is to be maintained and the distribution of proceeds from the well will continue to be allocated on an 80-acre basis.

16. BBC operates the Indian Tree #42-9 Well, API #05-123-23263, a well producing hydrocarbons from the Codell and Niobrara Formations and spaced under Order No. 407-87, said well located in the SE¼ NE¼ of Section 9, Township 6 North, Range 66 West, 6th P.M. Under this Application, BBC is not requesting a change to the unit acreage assigned to the Indian Tree #42-9 Well; Order No. 407-87 is to be maintained and the distribution of proceeds from the well will continue to be allocated on an 80-acre basis.

17. BBC operates the Lucas School #43-9 Well, API #05-123-25602, a well producing hydrocarbons from the Codell and Niobrara Formations and spaced under Order No. 407-87, said well located in the NE¼ SE¼ of Section 9, Township 6 North, Range 66 West, 6th P.M. Under this Application, BBC is not requesting a change to the unit acreage assigned to the Lucas School #43-9 Well; Order No. 407-87 is to be maintained and the distribution of proceeds from the well will continue to be allocated on an 80-acre basis.

18. BBC operates the Lucas School #1 Well, API #05-123-12599, a well producing hydrocarbons from the Codell and Niobrara Formations, said well located in the SE¼ SE¼ of Section 9, Township 6 North, Range 66 West, 6th P.M. Under this Application, BBC is not requesting a change to the unit acreage assigned to the Lucas School #1 Well; the 80 acres assigned to the well is to be maintained and the distribution of proceeds from the well will continue to be allocated on an 80-acre basis.

Establishment of the 640-acre Drilling Unit for Horizontal Well Development

19. Applicant requests the Commission establish the Application Lands as an approximate 640-acre drilling and spacing unit for the Codell Formation pursuant to Rule 503.b.(1) and §34-60-116(2), C.R.S. For the Application Lands, the proposed drilling unit is not smaller than the maximum area that can be economically and efficiently drained by the horizontal wells proposed to be drilled under this Application and completed in the Niobrara Formation.

20. Applicant requests it be authorized to drill and complete up to four (4) horizontal wells in the approximate 640-acre drilling and spacing unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell Formation, as necessary to economically and efficiently recover resources, while minimizing surface impacts, creating efficiencies for drilling and production, increasing the ultimate recovery of the reserves, preventing waste, and protecting correlative rights.

21. Applicant states that those horizontal wells to be drilled under this Application will be drilled from two multi-well pads on the surface of the drilling unit, or on adjacent lands with consent of the landowner, without exception being granted by the Director. Further, Applicant will make good faith efforts to utilize existing well pads where feasible for the economic and efficient extraction of the underlying minerals.

22. 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 outer boundary of the proposed drilling unit and not less than 150 feet from any other well or treated interval of a well producing from the Codell Formation, without exception being granted by the Director.

* * *

23. The granting of this Application is in accord with the Oil and Gas Conservation Act, found at §34-60-101, *et seq.*, C.R.S., and the Commission rules.

24. That the names and addresses of the interested parties (owners within the proposed drilling unit) 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. Maintaining the approximate 80-acre drilling and spacing units established for Section 9, Township 6 North, Range 66 North, 6th P.M., for any existing well capable of producing oil, gas and associated hydrocarbons from the Codell Formation.

B. Establishing an approximate 640-acre drilling and spacing unit for Section 9, Township 6 North, Range 66 North, 6th P.M., and authorizing the drilling of up to four (4) horizontal wells within the proposed unit, for the production of oil, gas and associated hydrocarbons from the Codell Formation.

C. Requiring that any permitted wells to be drilled under this Application should be drilled from two multi-well pads, without exception being granted by the Director.

D. Requiring 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 outer boundary of the proposed unit and not less than 150 feet from any other well or treated interval of a well producing from the Codell Formation, without exception being granted by the Director.

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

DATED this 3rd day of April, 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
Brian Wert, Senior Landman
1099 18th Street, Suite 2300
Denver, CO 80202

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

BILL BARRETT CORPORATION

Brian Wert

Witness my hand and official seal.

My commission expires: 1-15-2017

NANCY R. WEBER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID # 19974000612
MY COMMISSION EXPIRES JANUARY 15, 2017

Notary Public

Exhibit A

Application Map

Sec. 9, T6N, R66W
Weld County



Application lands -



Existing drilling units -



EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties (owners within Section 9, Township 6 North, Range 66 West, 6th P.M.) according to the information and belief of the Applicant are set forth in this Exhibit B.

Bill Barrett Corporation
1099 18th 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

Paul Echepare Revocable Trust dated 10/24/88
P.O. Box 848
Cheyenne, WY 82009

Gutterson & Company
P.O. Box 2176
Greeley, CO 80644

Estate of Rea L. Eaton, Estate of Benjamin H.
Eaton & Earl Finch, Trustees for Martha L.
Eaton, c/o Dorothy Phelps
21421 Highway 60
Platteville, CO 80651

Frank A. Kemp
2552 E. Alameda Ave., #81
Denver, CO 80209

Phelps Oil & Gas, LLC
280 S. High St.
Denver, CO 80209

Winston H. Dines
5 Delwood Circle
Durango, CO 81301

Dorothy Thomas Phelps
21421 Highway 60
Platteville, CO 80651

Holliday Dines
P.O. Box 839
La Jolla, CA 92038

Patrick L. McNear
34499 Weld County Road 31
Greeley, CO 80631

Cattail Creek Group, LLC
34824 Weld County Road 29
Greeley, CO 80631

Gene W. Oblander
34645 Weld County 31
Greeley, CO 80631

Carol Eaton-Preston
281 Mallory Heights Drive
Grants Pass, OR 97526

Charles H. Eaton
135 Ulen Blvd.
Lebanon, IN 46052

Thomas G. Trostel & Beverly R. Trostel, joint
tenants
18470 Weld County Road 19
Johnstown, CO 80534

Dana Porter Ivers
P.O. Box 1828
Telluride, CO 81435

Paul & Penny Hancock Family Trust
2750 Kootenai St.
Pocatello, ID 83201

Kimberly McKee Eaton
2053 E. Watson Drive
Tempe, AZ 82054

Nancy Leigh Eaton
2802 Sitting Bull Way
Fort Collins, CO 80525

Margaret Amy Royer
110 Splendid View Drive
Kalispell, MT 59901

Alexandra Eaton Woodmansee
11564 Killdeer Ave.
Glencoe, MN 55336

Robin Delp
1772 202nd Road
Oxford, KS 67119

Kay Daines
Box 6034
Innisfail, AB T4G157

Sarah Martha Eaton Diebold
P.O. Box 236
Lyme, NH 03768

Ronald Burns Eaton & Rosemary T. Eaton
2118 Carrhill Road
Vienne, VA 22181

Claire E. McNear
34499 Weld County Road 31
Greeley, CO 80631

Robert L. Eaton
1904 20th Avenue
Greeley, CO 80634

Benjamin A. Eaton
9 Inwood Cliffs Drive
San Antonio, TX 78248

Lawrence Christopher Eaton
P.O. Box 351
Ennis, MT 59729

Rex C. Eaton, III
4629 W. Leona St.
Tampa, FL 33625

Eric L. Eaton
1540 Parkview Road
Maple Plain, MN 55359

Schuyler E. Cone
6279 N. Coolville Ridge Road
Athens, OH 45701

Lawrence J. Merritt & Jo Ann Merritt, as joint
tenants
14774 County Road 72
Greeley, CO 80631

Barbara J. Ernst Revocable Trust
1364 Hilltop Drive
Windsor, CO 80550

Richard R. Dumm, Jr. & Martie R. Harrison-Dumm
405 Tuckaway Court
Windsor, CO 80550

Top Five, Inc.
1804 Ponderosa Place
Loveland, CO 80538

Marshall R. Ernst & Barbara J. Ernst, joint tenants
1364 Hilltop Drive
Windsor, CO 80550

Thomas G. Trostel & Beverley R. Trostel
18470 Weld County Road 19
Johnstown, CO 80534

Haythorn Brothers
P.O. Box 4
Eaton, CO 80615

Billy G. Shutts
2164 River West Drive
Windsor, CO 80550

Germain B. Eaton Trust
Morgan Stanley Smith Barney
101 California Street
San Francisco, CA 94111

Douglas Eric Petersen, Jr.
34112 Weld County Road 29
Greeley, CO 80631

Michael N. Erbes
14099 Weld County Road 70
Greeley, CO 80631

Cattail Creek Homeowners Association, Inc.
P.O. Box 130
Cimarron, CO 81220

Adam & Jillian Adler
14469 Bulrush Drive
Greeley, CO 80631

Loretta K. Sanders
14520 Weld County Road 72
Greeley, CO 80634

Tyler Lee Hodgson & Kasey Moriah Hodgson, joint tenants
34415 County Road 29
Greeley, CO 80631

Alan & Dawn Skoglund Living Trust dated 9/24/03
34556 Weld County Road 29
Greeley, CO 80631

Janine L. Martin
34645 Weld County Road 31
Greeley, CO 80631

Dorothy F. Lovely Estate
2164 River West Drive
Windsor, CO 80550

Patricia J. Shutts
4490 Highway 34
Wiggins, CO 80654

Robert L. Eaton, Jr.
16 Springside Road
Middlebury, VT 05753

Barbara A. Perusek
34024 Weld County 29
Greeley, CO 80631

Debra Ann Page
14379 Weld County Road 70
Greeley, CO 80631

Johnathan L. Steckel
3217 68th Avenue Court
Greeley, CO 80634

Randy Williams
14473 Bulrush Drive
Greeley, CO 80631

James V. Pinkerton
14467 Bulrush Drive
Greeley, CO 80631

James D. Keselburg
14477 Bulrush Drive
Greeley, CO 80631

Joseph & Elaine Hoff
34251 Weld County Road 31
Greeley, CO 80631

Carpenter Enterprises
14953 Weld County Road 70
Greeley, CO 80631

William L. Crosier
1019 9th Avenue
Greeley, CO 80631

Gary & Wendy Jergensmeier
34416 Weld County Road 29
Greeley, CO 80631

Scott L. Ducommun
14475 Bulrush Drive
Greeley, CO 80631

Farmers Bank
P.O. Box 130
Ault, CO 80610

Michael & Lisa Rothe
2110 59th Avenue Court
Greeley, CO 80634

Doris Carpenter Life Estate
14953 Weld County Road 70
Greeley, CO 80631

John Shepardson, Jr. & Deborah Shepardson
392 County Road 145
Carpenter, WY 82054

Town of Eaton Colorado
223 1st Street
Eaton, CO 80615