

September 27, 2013

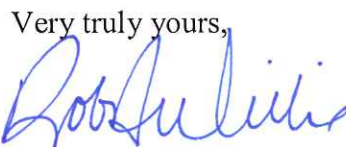
Robert Frick  
Hearings Manager  
Colorado Oil & Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, CO 80202

Re: Request to amend Application in **Docket No. 1307-UP-152** to strike pooling of the Codell Formation underlying the Application Lands

Dear Bob:

Bill Barrett Corporation ("BBC") is requesting the Colorado Oil and Gas Conservation Commission accept the filing of the attached *Amended Application* which revises the original application by striking the request to pool all interests in the approximate 640-acre drilling and spacing unit established for Section 21, Township 5 North, Range 61 West, 6<sup>th</sup> P.M. (the "Application Lands"), for the development and operation of the Codell Formation. BBC continues to request the pooling of all interests for the approximate 640-acre drilling and spacing unit established for the Application Lands, for the development and operation of the Niobrara Formation, with the pooling order made effective the costs specified in §34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of the initial horizontal Niobrara Formation well. As of the filing of this letter, BBC is unaware of any interested party having filed a Protest to the relief requested in the original application. By virtue of BBC having over-noticed the relief requested in the *Amended Application*, it has complied with notice provisions contained in the Oil and Gas Conservation Act and the Colorado Administrative Procedure Act.

Feel free to call or email with any questions or concerns you might have in this matter.

Very truly yours,  
  
Robert A. Willis

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

IN THE MATTER OF AN APPLICATION BY BILL )  
BARRETT CORPORATION FOR AN ORDER POOLING ) CAUSE NOS. 407 & 535  
ALL INTERESTS IN THE 640-ACRE DRILLING AND )  
SPACING UNITS ESTABLISHED FOR SECTION 21, ) DOCKET NO. 1307-UP-152  
TOWNSHIP 5 NORTH, RANGE 61 WEST, 6<sup>TH</sup> P.M., )  
FOR THE DEVELOPMENT/OPERATION OF THE )  
CODELL AND NIOBRARA FORMATIONS, )  
WATTENBERG FIELD, WELD COUNTY, COLORADO )

AMENDED 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) pooling all interests in 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 development and operation of the Niobrara Formation; and (2) pooling all interests in the approximate 640-acre drilling and spacing unit to be established for said Section 21, for the development and operation of 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 majority 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.

~~3. The Application Lands are unspaced with respect to the Codell Formation, which are common sources of supply underlying said lands and, as such, Rule 318.a. applies to said lands and under said rule, wells greater than 2,500 feet in depth shall be located not less than 600 feet from any lease line, and shall not be located less than 1,200 feet from any other producible or drilling well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.~~

4.3. 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 certain portions of this Rule for the ~~Codell and~~ Niobrara Formation.

5.4. 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.

*Pooling of all interests for the development/operation of the Niobrara Formation*

~~6.—Applicant has filed a separate application with the Commission, presently pending under Docket No. 1305-AW-19, for an order to authorize the drilling of up to seven (7) additional horizontal wells, for a total of up to eight (8) wells, within 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.~~

**5. On or about June 17, 2013, the Commission entered Order Nos. 407-795 and 535-360, which, among other things, authorized the drilling of an additional seven (7) horizontal wells, for a total of up to eight (8) wells, for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation.**

7.6. This Application does not seek to alter or modify any distribution of proceeds from any existing wells wherein the Niobrara Formation has been drilled, completed and placed on production within the Application Lands. On or about December 28, 2006, Bonanza Creek Energy Operating Co, LLC, placed the Pronghorn #31-21 Well, API #05-123-29990, on production, having drilled and completed the Well in the Niobrara Formation on a leasehold basis.

8.7. Acting pursuant to the relevant provisions of §34-60-116(6) & (7), C.R.S., and Rule 530., Applicant seeks an order pooling all interests in the Application Lands for the initial permitted horizontal Niobrara Formation well drilled within the Application Lands and any subsequent horizontal wells authorized by the Commission, for the development and operation of the Niobrara Formation.

9.8. Applicant requests that the pooling order entered as a result of this Application be made effective as of the date of this Application, or the date that the costs specified in §34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of the initial permitted horizontal Niobrara well on the Application Lands, whichever is earlier.

*Pooling of all interests for the development/operation of the Codell Formation*

~~10.—Applicant has filed a contemporaneous application with the Commission to establish an approximate 640-acre drilling and spacing unit for the Application Lands, for the production of oil, gas and associated hydrocarbons from the Codell Formation.~~

~~11. Acting pursuant to the relevant provisions of §34-60-116(6) & (7), C.R.S., and Rule 530., Applicant seeks an order pooling all interests in the Application Lands for the initial permitted horizontal Codell Formation well drilled within the Application Lands and any subsequent horizontal wells authorized by the Commission, for the development and operation of the Codell Formation.~~

~~12. Applicant requests that the pooling order entered as a result of this Application be made effective as of the date of this Application, or the date that the costs specified in §34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of the initial permitted horizontal Codell well on the Application Lands, whichever is earlier.~~

\* \* \*

13.9. 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.

~~14. That the names and addresses of the interested parties (persons who own any interest in the mineral estate underlying Section 21, Township 5 North, Range 61 West, 6<sup>th</sup> P.M., except overriding royalty interest owners) and an associated certificate of service shall be submitted 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. Pooling all interests in the Application Lands for the initial permitted horizontal Niobrara Formation well drilled within the Application Lands and any subsequent horizontal wells authorized by the Commission, for the development and operation of the Niobrara Formation, with the pooling order made effective as of the date of this Application, or the date that the costs specified in §34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of a Niobrara Formation well on the Application Lands, whichever is earlier.

B. Maintaining the distribution of proceeds from the Bonanza Creek Energy Operating Co, LLC, for the Pronghorn #31-21 Well, API #05-123-29990, which was placed on production from the Niobrara Formation on a leasehold basis.

~~C. Pooling all interests in the Application Lands for the initial permitted horizontal Codell Formation well drilled within the Application Lands and any subsequent horizontal wells authorized by the Commission, for the development and operation of the Codell Formation, with the pooling order made effective as of the date of this Application, or the date that the costs specified in §34-60-116(7)(b)(II), C.R.S., are first incurred for the drilling of a Codell Formation well on the Application Lands, whichever is earlier.~~

D.C. Providing that the interests of any owners, with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of an authorized well proposed for the Niobrara or Codell Formation, are pooled by operation of statute, pursuant to §34-60-116(7), C.R.S., and made subject to the cost recovery provisions thereof.

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

DATED this 27 day of September, 2013.

Respectfully submitted,

BILL BARRETT CORPORATION

By: \_\_\_\_\_

Robert A. Willis  
Burleson LLP  
Wells Fargo Center  
1700 Lincoln Street, Suite 1300  
Denver, CO 80203  
(303) 801-3200

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

## VERIFICATION

STATE OF COLORADO

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) ss.

CITY &amp; COUNTY OF DENVER

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Colleen Kennedy, 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

Colleen Kennedy

Colleen Kennedy

Subscribed and sworn to before me this 27<sup>th</sup> day of September, 2013, by Colleen Kennedy, Senior Landman for Bill Barrett Corporation.

Witness my hand and official seal.

My commission expires: February 4<sup>th</sup> 2014

*Meghan E O'Halloran*  
Notary Public

Notary Public



My Commission Expires 02/04/2014