IN THE MATTER OF AN APPLICATION BY BILL BARRETT)
CORPORATION FOR AN ORDER POOLING ALL) CAUSE NO.
INTERESTS IN THE 320-ACRE HORIZONTAL WELLBORE)
SPACING UNIT ESTABLISHED FOR THE S½ OF SECTION) DOCKET NO. To be assigned
3, TOWNSHIP 4 NORTH, RANGE 63 WEST, 6 TH P.M., FOR)
THE DEVELOPMENT/OPERATION OF THE CODELL)
FORMATION, AND SUBJECTING ALL NONCONSENTING)
INTERESTS TO COST RECOVERY FOR ADDITIONAL)
WELLS DRILLED IN THE 320-ACRE POOLED)
HORIZONTAL WELLBORE SPACING UNIT ESTABLISHED)
FOR THE S½ OF SAID SECTION 3, FOR THE	,
DEVELOPMENT/OPERATION OF THE NIOBRARA)
FORMATION, WATTENBERG FIELD, WELD COUNTY,	j .
COLORADO)
	,

APPLICATION

Bill Barrett Corporation ("BBC" or "Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., 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 320-acre horizontal wellbore spacing unit established for a portion of Section 3, Township 4 North, Range 63 West, 6th P.M., for the development and operation of the Codell Formation; and (2) subjecting all nonconsenting interests to cost recovery for additional permitted wells, located in the approximate 320-acre pooled horizontal wellbore spacing unit established for a portion of said Section 3, for development and operation of 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 majority leasehold interests in the below-listed lands:

Township 4 North, Range 63 West, 6th P.M. Section 3: S½

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. 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 of the Cretaceous Age Formations from the base of the Dakota Formation to the surface. On December 5, 2005, Rule 318A. was amended 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 to, among other things, address drilling of horizontal wells. The Application Lands are subject to Rule 318A. for the Codell and Niobrara Formations.

<u>Pooling all interests in the 320-acre horizontal wellbore spacing unit for the development/operation of the Codell Formation</u>

4. Pursuant to Rule 318A., Applicant designated an approximate 320-acre horizontal wellbore spacing unit, comprised of the Application Lands, for the 70 Ranch 4-63-03-4856CDH well (API No. 05-123-37994) for production of oil, gas and associated hydrocarbons from the Codell Formation. (00335041.1)

Applicant notified all owners in the proposed wellbore spacing unit pursuant to Rule 318A.e.(6). Applicant did not receive objections to the establishment of the proposed horizontal wellbore spacing unit within the 30-day response period and, as such, certifies to the Commission that it did not receive any objections to either the proposed well location or proposed spacing unit.

- 5. 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, including, but not limited to, interests of any nonconsenting owners, in the Application Lands wherein BBC has drilled and completed the 70 Ranch 4-63-03-4856CDH well, for development and operation of the Codell Formation.
- 6. Further, Applicant requests 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 the 70 Ranch 4-63-03-4856CDH well, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S.

<u>Subjecting all nonconsenting interests to cost recovery for additional permitted wells in the 320-acre horizontal wellbore spacing unit, pooled for development/operation of the Niobrara</u>
Formation

- 7. On September 16, 2013, the Commission entered Order No. 407-866 which, among other things, pooled all interests in the approximate 320-acre horizontal wellbore spacing unit established for the Application Lands, for development and operation of the Niobrara Formation. Order No. 407-866 subjected all nonconsenting interests to the cost recovery provisions of §34-60-116(7), C.R.S. for the 70 Ranch 4-63-3-48H well (API No. 05-123-35735) and the 70 Ranch 4-63-3-49H well (API No. 05-123-35733). Further, Order No. 407-866 directed any party seeking cost recovery for any subsequent well(s), to first comply with subsection (d) of §34-60-116(7), C.R.S.
- 8. Acting pursuant to the relevant provisions of §34-60-116(7), C.R.S., and Rule 530., Applicant requests 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 the 70 Ranch 4-63-03-4841CH well (API No. 05-123-37993) and the 70 Ranch 4-63-03-4956CH well (API No. 05-123-37925) (the "Additional Wells"), are made subject to the cost recovery provisions thereof.

* * *

- 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.
- 10. Applicant requests that relief granted under this Application should be effective on oral order by the Commission, and Applicant hereby agrees to be bound by said oral order.
- 11. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in <u>Exhibit B</u> attached hereto. The Applicant shall submit a certificate of service for the Application within the 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 approximate 320-acre horizontal wellbore spacing unit established for the Application Lands for the development and operation of the Codell Formation, with the pooling order made effective as of the date of this Application.

- B. 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 the 70 Ranch 4-63-03-4856CDH well, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S.
- 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 the Additional Wells, located in the 320-acre horizontal wellbore spacing unit pooled for development and operation of the Niobrara Formation, are made subject to the cost recovery provisions of §34-60-116(7), C.R.S.
- D. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this day of April, 2014.

Respectfully submitted,

BILL BARRETT CORPORATION

Bv.

Robert A. Willis (Colorado Bar No. 26038)

Jillian Fulcher (Colorado Bar No. 45010)

Beatty & Wozniak, P.C. Attorneys for Applicant

216 16th Street, Suite 1100

Denver, Colorado 80202

(303) 407-4499

rwillis@bwenergylaw.com

jfulcher@bwenergylaw.com

Kenneth A. Wonstolen Senior Vice-President & General Counsel Bill Barrett Corporation

Applicant's Address:
Bill Barrett Corporation
Wes DiGrappa, Landman
1099 18th Street, Suite 2300
Denver, CO 80202

VERIFICATION

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

Wes DiGrappa, Landman for Bill Barrett Corporation, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

BILL BARRETT CORPORATION

Subscribed and sworn to before me this _____ day of April, 2014, by Wes DiGrappa, Landman for Bill Barrett Corporation.

Witness my hand and official seal.

My commission expires: 10.04-17

MY COMMISSION EXPIRES OCT. 4, 2017

Notary Public

Exhibit A Application Map T4N, R63W T4N, R63W Weld County α Application lands - ∞

EXHIBIT B

INTERESTED PARTIES

The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in this <u>Exhibit B</u>.

Bill Barrett Corporation 1099 18th Street, Suite 2300 Denver, CO 80202

Anadarko E&P Company, LP 1099 18th Street, Suite 1800 Denver, CO 80202

Bayswater Blenheim Holdings II, LLC 300 Connell Drive Berkley Heights, NJ 07922

Susan L. Freier 3507 Nova Road Pine, CO 80470

Samuel T. Alcus, III 965 Harding Drive New Orleans, LA 70119

Star Mesa Energy, LLC 1800 Glenarm Pl. Ste 702 Denver, CO 80202

Holmes Eastern Company, LLC 5601 Truxtun Avenue, Suite 210 Bakersfield, CA 93309 Beatty & Wozniak, P.C. 216 16th Street, Suite 1100 Denver, Colorado 80202

Bayswater Exploration & Production, LLC 730 17th Street, Suite 610 Denver, CO 80202

David L. Freier 3507 Nova Road Pine, CO 80470

Christopher Verhulst 6578 Ambrosia Drive, #5105 San Diego, CA 92124

JED Wattenberg One, LLC 4060 South Holly Street Englewood, CO 80111

George M. Harris 979 Harding Drive New Orleans, LA 70117

Prize Energy Resources, Inc. 1700 Lincoln Street, Suite 1800 Denver, CO 80203

IN THE MATTER OF AN APPLICATION BY BILL IN CORPORATION FOR AN ORDER POOLING ALL INTERESTS IN THE 320-ACRE HORIZONTAL WEISPACING UNIT ESTABLISHED FOR THE S½ OF SEASING UNIT ESTABLISHED FOR THE S½ OF SEASING UNIT ESTABLISHED FOR THE CODE FORMATION, AND SUBJECTING ALL NONCONSINTERESTS TO COST RECOVERY FOR ADDITION WELLS DRILLED IN THE 320-ACRE POOLED HORIZONTAL WELLBORE SPACING UNIT ESTABLED THE S½ OF SAID SECTION 3, FOR THE DEVELOPMENT/OPERATION OF THE NIOBRARA FORMATION, WATTENBERG FIELD, WELD COULCOLORADO	CAUSE NO ELLBORE) SECTION) DOCKET NO. To be assigned M., FOR) ELL) SENTING) NAL) ABLISHED) A)			
AFFIDAVIT OF	F MAILING			
STATE OF COLORADO)				
)ss. CITY AND COUNTY OF DENVER)				
Jennifer Pittenger, of lawful age, and being first	st duly sworn upon her oath, states and declares:			
That she is a Legal Assistant at Beatty & Wozniak, P.C., attorneys for Bill Barrett Corporation, and on or before April 24, 2014, caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.				
al.	Jennifer Pittenger			
Subscribed and sworn to before me this day of April, 2014.				
Witness my hand and official seal.				
TERESA L. PETERSON TERESA L. PETERSON TERESA L. PETERSON TO ARY PUBLIC NOTARY OF COLORADO NOTARY ID 19894002026 NOTARY ID 19894002026 NOTARY ID 19894002026 NOTARY ID 19894002026	Notary Public			

IN THE MATTER OF AN APPLICATION BY BILL)	
BARRETT CORPORATION FOR AN ORDER)	CAUSE NO
POOLING ALL INTERESTS IN THE 320-ACRE)	
	DOCKET NO. To be assigned
ESTABLISHED FOR THE S½ OF SECTION 3,)	
TOWNSHIP 4 NORTH, RANGE 63 WEST, 6 TH P.M.,)	
FOR THE DEVELOPMENT/OPERATION OF THE)	
CODELL FORMATION, AND SUBJECTING ALL)	
NONCONSENTING INTERESTS TO COST)	
RECOVERY FOR ADDITIONAL WELLS DRILLED)	
IN THE 320-ACRE POOLED HORIZONTAL)	
WELLBORE SPACING UNIT ESTABLISHED FOR)	
THE S½ OF SAID SECTION 3, FOR THE)	
DEVELOPMENT/OPERATION OF THE NIOBRARA)	
FORMATION, WATTENBERG FIELD, WELD)	
COUNTY, COLORADO)	
SUPPLEMENTAL AFFID	AVIT OF MAILING
COLOR OF COLOR PO	

STATE OF COLORADO)
)ss
CITY AND COUNTY OF DENVER)

Jillian Fulcher, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Bill Barrett Corporation, and that on or before April 25, 2014 she caused a copy of the above-captioned Application to be deposited in the United States Mail, postage prepaid, addressed to the party listed below:

Bonanza Creek Energy Operating Company, LLC 410 17th Street, Ste. 1400 Denver, CO 80202

Tilkan Fulcher

Subscribed and sworn to before me April 25, 2014.

Witness my hand and official seal.

JENNIFER PITTENGER Notary Public State of Colorado Notary ID 20134062771 My Commission Expires Sep 27, 2017

Motary Public

IN THE MATTER OF AN APPLICATION BY BILL)	
BARRETT CORPORATION FOR AN ORDER)	CAUSE NO
POOLING ALL INTERESTS IN THE 320-ACRE)	
HORIZONTAL WELLBORE SPACING UNIT)	DOCKET NO. To be assigned
ESTABLISHED FOR THE S1/2 OF SECTION 3,)	
TOWNSHIP 4 NORTH, RANGE 63 WEST, 6 TH P.M.,	INTAKE NO. 64
FOR THE DEVELOPMENT/OPERATION OF THE)	
CODELL FORMATION, AND SUBJECTING ALL)	
NONCONSENTING INTERESTS TO COST)	
RECOVERY FOR ADDITIONAL WELLS DRILLED)	
IN THE 320-ACRE POOLED HORIZONTAL)	
WELLBORE SPACING UNIT ESTABLISHED FOR)	
THE S½ OF SAID SECTION 3, FOR THE)	•
DEVELOPMENT/OPERATION OF THE NIOBRARA)	
FORMATION, WATTENBERG FIELD, WELD)	
COUNTY, COLORADO)	
SECOND SUPPLEMENTAL	AFFIDAVIT OF MAILING
GTATE OF COLORADO	
STATE OF COLORADO)	
)ss.	
CITY AND COUNTY OF DENVER)	

Jillian Fulcher, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Bill Barrett Corporation, and that on or before April 30, 2014 she caused a copy of the above-captioned Application to be deposited in the United States Mail, postage prepaid, addressed to the additional parties listed below:

Christopher Verhulst 21 Richie Court St. James, NY 11780

Jillian Fulcher

Subscribed and sworn to before me April 30, 2014.

Witness my hand and official seal.

JENNIFER PITTENGER

Notary Public

State of Colorado

Notary ID 20134062771

My Commission Expires Sep 27, 2017

Notary Public