

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

IN THE MATTER OF ALLEGED VIOLATIONS OF THE RULES)	CAUSE NO. 1V
AND REGULATIONS OF THE COLORADO OIL AND GAS)	
CONSERVATION COMMISSION BY BERRY PETROLEUM)	DOCKET NO. 0705-OV-03
COMPANY , GARFIELD COUNTY, COLORADO)	

NOTICE OF ADMINISTRATIVE ORDER BY CONSENT

On October 20, 2005, the Colorado Oil and Gas Conservation Commission ("COGCC") approved an Application for Permit-to-Drill ("APD") for EnCana Oil and Gas (USA) Inc, ("EnCana"), for the N. Parachute EF11B M16 595 Well (the "Well") located in the SW¼ SW¼ of Section 16, Township 5 South, Range 95 West, 6th P.M. The APD for the well had an expiration date of October 19, 2006.

On September 5, 2006, The COGCC received a Sundry Notice, Form 4, from Berry Petroleum Company ("Berry") requesting approval to move the bottom hole location, change the well operator of record from EnCana to Berry, and change the well name from N. Parachute EF 11B M16 595 to the Long Ridge LR 15B M16 595. The Form 4 was approved on September 6, 2006.

On January 22, 2007, the COGCC received a letter from Berry self-reporting that the Long Ridge 15B M16 595 was spud on December 7, 2006. The letter noted the drilling permit for this well had expired on October 19, 2006. The letter also stated that Berry assumed "with various name and location changes it was our understanding that this would extend the permit. Further review of your rules and regulations show this is not the case."

On January 22, 2007 the COGCC received a refiled APD from Berry for the Well. The APD was approved by the COGCC on January 30, 2007.

A Notice of Alleged Violation ("NOAV") was issued for the Well on January 29, 2007, for violation of Rule 303., requiring an approved Permit-to-Drill prior to drilling. The NOAV described the alleged violation as "Spud well with out approved permit" and required Berry to "Obtain approved Application to Drill and submit written documentation as to what occurred, why, and procedures that will be taken to prevent future occurrences". The NOAV was completed by Berry and returned to the COGCC on January 31, 2007. The NOAV noted "The APD is submitted – waiting approval – Procedures have been reviewed in house and implemented to prevent further occurrences.

Rule 523.c. specifies a base fine of One Thousand dollars (\$1,000) per day for each violation of Rule 303. A monetary penalty of One Thousand dollars (\$1,000.00) should be assessed against Berry, in accordance with Rule 523.d., for violation of Rule 303.a. Mitigating factors in determining the fine recommendation under Rule 523.d. are: 523.d.(3), Berry self-reported the violation and cooperated with the Commission with respect to the violation.

On February 21, 2007, COGCC staff issued an Administrative Order by Consent ("AOC") to Berry for violation of Rule 303.a., failure to have an approved Application for Permit-to-Drill prior to drilling, for the Long Ridge LR 15B M16 595, located in the SW¼ SW¼ of Section 16, Township 5 South, Range 95 West, 6th P.M., proposing a fine of One Thousand dollars (\$1,000.00) for violation of the rule. On February 28, 2007, Berry agreed to and accepted the AOC, including the fine of One Thousand Dollars (\$1,000).

NOTICE IS HEREBY GIVEN, that the Oil and Gas Conservation Commission of the State of Colorado, pursuant to the above, has scheduled the above-entitled matter for hearing on:

Date: Thursday, May 10, 2007
Friday, May 11, 2007

Time: 9:00 a.m.

Place: Suite 801, The Chancery Building
1120 Lincoln Street
Denver, Colorado 80203

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 139, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than April 26, 2007, briefly stating the basis of the protest or intervention. Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and nine (9) copies shall be filed with the Commission (Rule 503.). **Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of April 26, 2007 through May 3, 2007.** Pursuant to Rule 503.f., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules.

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Patricia C. Beaver, Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
March 30, 2007