

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax (303) 894-2109



FOR OGCC USE ONLY

2/22/2010

200231846

*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 10071

Name of Operator: BILL BARRETT CORPORATION

Address: 1099 18TH STREET, SUITE 2300

City: DENVER

State: CO

Zip: 80202

Company Representative: SCOT DONATO

Date Notice Issued:

Well Name: MILLER

Well Number: 14A-6-791

Facility Number: 290404

Location (QtrQtr, Sec, Twp, Rng, Meridian): SESW 6 7S 91W 6

County: GARFIELD

API Number: 05 045 14096 00

Lease Number:

COGCC Representative: SPRY OROURKE LINDA

Phone Number: 970 625-5682

THE FOLLOWING ALLEGED VIOLATION WAS FOUND BY THE COGCC REPRESENTATIVE FOR THE SITE LISTED

Date of Alleged Violation: 1/7/2010

Approximate Time of Violation:

Description of Alleged Violation:

On 1/7/2010, there was an unauthorized release of E&P waste from the above-referenced facility impacting a 200 foot stretch of Waters of the State in a tributary to Gibson Gulch which is depicted as an ephemeral stream on a USGS 7.5 minute quadrangle map. On 1/7/2010 Bill Barrett Corporation verbally notified the COGCC of the release as required. Based on the Form 19 submitted for this spill, Bill Barrett Corporation did not notify the NRC, the surface owner, or the CDPHE-WQCD as required. On 1/22/2010 Bill Barrett Corporation's consultant submitted a Form 27 as requested by the COGCC which described the site investigation conducted after the release. The horizontal extent of the impact was not determined because only one sample composited from 8 locations along the spill path was collected for laboratory analysis, and the analytical suite utilized did not include BTEX analysis. Thus the investigation was inadequate to demonstrate compliance with the soil constituents listed in Table 910-1.

Act, Order, Regulation, Permit Conditions Cited:

324.A.a, 324.A.b, 906.b.(3), 906.c, 907.a.(1), 907.a.(2), 910.b.(3).B, 910.b.(3).C

Abatement or Corrective Action Required to be Performed by Operator:*

1. Provide written explanation of why the release was not reported as required by Rule 906.b.(4) and 906.c. 2. Describe measures taken to prevent the problem from reoccurring and for future protection of waters of the state. 3. Submit written explanation of how reporting will occur in the future to avoid similar violations. 4. Develop a more robust Site Investigation & Remediation Work Plan (Form 27) as required by Rule 906.d for approval and implementation. Work Plan must include a discrete laboratory sample in drainage at the both the spill entry and the spill endpoint, analyzed for BTEX, TPH and EC. 5. Provide the background arsenic analytical data referenced in Form 27. 6. Provide the sample summary report from the laboratory for all field samples collected. 7. Provide final disposition of the E&P waste.

Abatement or Corrective Action to be Completed by (date): 3/22/2010

* Proper and timely abatement does not necessarily preclude the assessment of penalties and an Order Finding Violation.

TO BE COMPLETED BY OPERATOR - When alleged violation is corrected, sign this notice and return to above address:

Company Representative Name: SCOT A. DONATO

Title: Mgr Govt Affairs

Signature: [Signature]

Date: 032210

Company Comments:

See attached Report & Lab Reports.

*** THIS NOTICE CONSTITUTES A SEPARATE NOTICE OF ALLEGED VIOLATION FOR EACH VIOLATION LISTED ***

WARNING

Abatement and reporting time frames for Notices of Alleged Violation begin upon receipt of the Notice or five days after the date it is mailed, whichever is earlier. Each violation must be abated within the prescribed time upon receipt of this Notice, reported to the Colorado Oil and Gas Conservation Commission at the address shown above, and postmarked no later than the next business day after the prescribed time for abatement. Should abatement or corrective action fail to occur, the Director may make application to the Commission for an Order Finding Violation. Proper and timely abatement does not necessarily preclude the assessment of penalties and an Order Finding Violation.

PENALTY PROPOSED BY THE DIRECTOR PER RULE 523

The Director may propose a penalty as listed in the table below, not to exceed a maximum of \$1,000.00 per day per violation. Such proposed penalty amount will be limited to \$10,000.00 per violation if the violation does not result in significant waste of oil and gas resources, damage to correlative rights, or a significant adverse impact on public health, safety, or welfare. Such proposed penalty amount may be increased if aggravating factors indicate the violation: was intentional or reckless; had, or threatened to have, a significant negative impact on public health, safety, or welfare; resulted in significant waste of oil and gas resources; had a significant negative impact on correlative rights of other parties; resulted in, or threatened to result in, significant loss or damage to public or private property; involved recalcitrance or recidivism upon the part of the violator; involved intentional false reporting or record keeping; resulted in economic benefit to the violator. Such proposed penalty amount may be decreased if mitigating factors indicate the violator: self-reported; promptly, effectively and prudently responded to the violation; cooperated with the Commission or other agencies with respect to the violation; could not reasonably control, or be responsible for, the cause of the violation; made a good faith effort to comply with applicable requirements prior to the Commission learning of the violation; had any economic benefit reduced or eliminated due to the cost of correcting the violation; has demonstrated a history of compliance with Commission rules, regulations and orders. The Commission has final authority over the penalty amount assessed. The Commission or other agencies with respect to the violation: could not reasonably control, or be responsible for, the cause of the violation; made a good faith effort to comply with applicable requirements prior to the Commission learning of the violation; had any economic benefit reduced or eliminated due to the cost of correcting