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SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF BILL BARRETT CORPORATION FOR AN ORDER EXTENDING THE BOARD'S ORDERS ENTERED IN CAUSE NOS. 139-8 AND 139-84 TO ESTABLISH SECTIONAL DRILLING UNITS AND AUTHORIZE UP TO FOUR PRODUCING WELLS PER SECTIONAL DRILLING UNIT SO ESTABLISHED OR PREVIOUSLY ESTABLISHED FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE LOWER GREEN RIVER AND WASATCH FORMATIONS UNDERLYING VARIOUS SECTIONS WITHIN TOWNSHIPS 3 AND 4 SOUTH, RANGES 5 AND 7 WEST, USM, DUCHESNE COUNTY, UTAH

**FINDINGS OF FACT,
CONCLUSIONS OF LAW AND
ORDER**

Docket No. 2011- 019

Cause No. 139-87

This Cause came on for hearing before the Utah Board of Oil, Gas and Mining (the "Board") on Wednesday, October 26, 2011, at approximately 9:45 a.m., in the Auditorium of the Utah Department of Natural Resources Building in Salt Lake City. The following Board members were present and participated at the hearing: Chairman James T. Jensen, Jean Semborski, Ruland J. Gill, Jr., Jake Y. Harouny, Kelly L. Payne, Carl F. Kendel and Chris D. Hansen. The Board was represented by Michael S. Johnson, Esq., Assistant Attorney General.

Testifying on behalf of Petitioner Bill Barrett Corporation ("BBC") were David

M. Watts – Landman, Jason G. Anderson – Asset Development Geologist, and Anna M. Young – Sr. Reservoir Engineer. Said witnesses were recognized by the Board as experts in petroleum land management, geology and petroleum engineering, respectively, for purposes of this Cause. Frederick M. MacDonald, Esq., of and for Beatty & Wozniak, P.C., appeared as attorney for BBC.

Testifying on behalf of the Division of Oil, Gas and Mining (the “Division”) was Dustin Doucet – Petroleum Engineer. Emily Lewis, Esq., Assistant Attorney General, appeared as attorney on behalf of the Division. The Division filed a staff memorandum in the Cause on October 20, 2011. At the conclusion of its presentation-in-chief, the Division expressed its support for the granting of BBC’s Request for Agency Action dated September 12, 2011, as modified by Modification dated September 26, 2011 and Errata thereto dated October 6, 2011 (collectively the “Request”), as conformed to the testimony and other evidence provided at the hearing.

At the end of BBC’s and the Division’s presentations, Michael L. Coulthard, Petroleum Engineer for the Utah State Office of the Bureau of Land Management (“BLM”), made a statement to the Board concerning that Agency’s practice, as the advisor to the United States Bureau of Indian Affairs (“BIA”) with respect to Indian leases, in determining the effective date of communitization agreements.

No other party filed a response to the Request and no other party appeared or

participated at the hearing.

The Board, having considered the testimony presented and the exhibits received into evidence at the hearing, being fully advised, and for good cause, hereby makes the following findings of fact, conclusions of law and order in this Cause.

FINDINGS OF FACT

1. BBC is a Delaware corporation with its principal place of business in Denver, Colorado. BBC is duly qualified to conduct business in the State of Utah, and is fully and appropriately bonded with all relevant Federal, Indian and State of Utah agencies.

2. By Order entered on August 11, 1971 in Cause No. 140-6 (the "140-6 Order"), the Board established 640-acre drilling units for the production of oil, gas and associated hydrocarbons from the Lower Green River and Wasatch formations (no definition set forth) for the following Duchesne County, Utah lands:

Township 3 South, Range 7 West, USM

Sections 30 and 31

Township 3 South, Range 8 West, USM

Sections 25 and 36

(the "Existing Spaced Lands"). Under the original 140-6 Order, only one well may produce on each such unit so established, which must be located in the center of the

SW¼NE¼ with a tolerance of 660 feet in any direction; provided that an exception to said tolerance may be granted without a hearing where a topographical exception is deemed necessary.

3. The following Duchesne County lands are not currently subject to any order of the Board establishing drilling units for Lower Green River and Wasatch formation production:

Township 4 South, Range 5 West, USM

Sections 19-22, inclusive, and 30

Township 4 South, Range 6 West, USM

Sections 19-36 inclusive

Township 4 South, Range 7 West, USM

Sections 6, 7 and 17-36 inclusive

Township 4 South, Range 8 West, USM

Sections 1, 12, 13, 24, 25 and 36

(the "139-8 Extension Lands"). Instead, they are currently only subject to the Board's and Division's general rules, including the general well siting rule (Utah Admin. Code Rule R649-3-2).

4. The 139-8 Extension Lands and the Existing Spaced Lands are collectively hereinafter referred to as the "Subject Lands" and comprise the remaining lands within what BBC has designated its "Lake Canyon Area."

5. By Order entered on September 20, 1972 in Cause No. 139-8 (the "139-8 Order"), the Board established 640-acre drilling units for the production of oil, gas and associated hydrocarbons from the Lower Green River-Wasatch formations, defined as:

the interval from the top of the Lower Green River formation (TGR₃ marker) to the base of the Green River-Wasatch formations (top of Cretaceous), which base is defined as the stratigraphic equivalent of the Dual Induction Log depths of 16,720 feet in the Shell-Ute 1-18B5 well located in the S $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 18, Township 2 South, Range 5 West, U.S.M., and 16,970 feet in the Shell-Brotherson 1-11B4 well located in the S $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 11, Township 2 South, Range 4 West, U.S.M.,

for the greater Cedar Rim-Sink Draw Area, including lands adjacent to the Subject Lands. Under the original 139-8 Order, only one well may produce on each such unit so established, which must be located in the center of the NE $\frac{1}{4}$ with a tolerance of 660 feet in any direction; provided that an exception to said tolerance may be granted administratively without a hearing where a topographical exception is deemed needed.

6. By Order entered on April 17, 1985 in Cause No. 139-42 (the "139-42 Order"), the Board modified the 139-8 and 140-6 Orders, among other orders, to provide that additional Lower Green River-Wasatch wells may be drilled, completed, and

produced on the established drilling units to a density of no greater than two producing wells in each unit comprising a section. Additional wells may be drilled at the option of the operator of the unit based upon geologic and engineering data for that unit which will justify an additional well in order to recover oil, provided that said operator would have a reasonable opportunity to recover costs of drilling, completing, producing and operating a well plus a reasonable profit. Any additional well must be located at least 1,320 feet from an existing well in the unit and not closer than 660 feet from the exterior boundary of the unit, and no two wells may be drilled in the same quarter section.

7. By Order entered December 31, 2008 in Cause No. 139-84 (the "139-84 Order"), the Board modified the 140-6, 139-8, 139-42 Orders, among many other orders applicable to the Altamont/Bluebell/Cedar Rim - Sink Draw fields, but only as relating to lands other than the Subject Lands, to allow up to four (4) producing Lower Green River-Wasatch wells upon each drilling unit established under said orders, to be drilled at the option of the operator and with the operator's full discretion as to the development of the hydrocarbon resources; provided that each additional well shall be no closer than 1,320 feet from an existing unit well completed in and producing from the formations and no closer than 660 feet from the drilling unit boundary (in essence, eliminating any first well siting requirement under the applicable existing order).

8. By Order entered March 11, 2010 in Cause No. 139-85 (the "139-85 Order"), the Board extended the 139-8 Order to lands not previously spaced, and the 139-84 Order to all lands not already subject to that Order, within the Black Tail Ridge Area located adjacent to the North and East (as to the western portion) of the Subject Lands.

9. The mineral estate underlying the Subject Lands is primarily Indian, with scattered State of Utah and fee (privately) owned parcels. The Lower Green River and Wasatch formation oil, gas and associated hydrocarbons are in large part under lease to, or subject to an exploration and development agreement with, BBC.

10. As relating to the Lower Green River and Wasatch formations, the Board, in the 139-84 Order, expressly found:

- a) [P]roduction occurs from multiple, generally low-matrix porosity, thin-bedded sandstones, forming a highly complex series of isolated and discontinuous beds that are randomly distributed vertically over a several thousand-foot interval. Normally, the productive beds are separate and distinct and not in communication with each other [Findings of Fact No. 15];
- b) [M]any of the productive beds are not correlatable from well to well and will not afford communication between wells within several hundred feet of one another [Findings of Fact No. 16];
- c) [E]vidence from mudweights, pressure data, well logs, and production data show virgin and near virgin zones exist and reserves that otherwise would not be produced will be recovered by the drilling, completion and production of third and fourth wells [Findings of Fact No. 21]; and

d) The drilling of increased density wells under existing orders within [the area subject to the 139-84 Order] demonstrates:

- Second wells have recovered in excess of 55 MMBOE of incremental oil to date;
- Second and third wells drilled discovered incremental oil in new reservoirs not intersected by earlier wells;
- Second and third wells do not drain the reserves in the drilling units and are nearing the end of their economic lives;
- The average well drainage area [for the area subject to the 139-84 Order] is approximately 160 acres;
- Some of the reservoirs intersected by second and third wells do communicate with the earlier wells drilled, but also encountered incremental reserves (new reservoirs) that have not been previously encountered and produced;
- Despite some pressure communication between increased density wells with first and subsequent wells in [*sic*, a] section, there is not overall production interference or production acceleration between wells; and
- Production from second, third, and even fourth wells in section did not adversely affect production in the first and other pre-existing wells producing from the [Lower Green River and Wasatch formations] in the drilling units.

[Findings of Fact No. 22].

In addition, the Board expressly made the following conclusions of law:

- a) The 640-acre drilling units shall remain a uniform size and shape... and conform to the predominant pattern in the area established by the [139-42 Order].... [Conclusion of Law No. 5]; and

- b) An order authorizing the drilling of additional wells, up to four wells in the established drilling units at the option of the operator,... will promote the public interest, economically increase ultimate maximum recovery, prevent waste, protect correlative rights of all owners, and avoid the drilling of unnecessary wells [Conclusion of Law No. 7].
11. Similarly, the Board, as outlined in Findings of Fact No. 11 of the 139-85

Order, expressly found:

- a) Geologic and reservoir characteristics of the Lower Green River-Wasatch formations: (1) as underlying the 139-8 Extension Lands are similar and analogous to those of the 140-6 and 139-8 Lands; and (2) as underlying the Subject Lands are similar and analogous to the adjacent Western Altamont and Cedar Rim-Sink Draw lands already subject to the 139-84 Order;
- b) Geologic and engineering information from the initial wells drilled demonstrate that the recoverable oil and gas will not be effectively drained in a 640-acre drilling unit by one (1) or two (2) wells and an addition of up to four (4) wells per section will tap into smaller productive reservoirs that have geologic and engineering characteristics that prevent one or two wells from draining those resources;
- c) Many of the productive reservoirs that are drilled do not correlate well from well to well. This geologic characteristic prevents communication between wells at intervals as small as less than 1,000 feet;
- d) The reservoir permeability and nature of the fracture components of the reservoir reduces the effect of communication with the sand that do correlate and does not allow for efficient drainage of the hydrocarbon resource;

- e) Production data and geologic calculations demonstrate that one or two wells per section do not effectively drain the reservoir and recoverable hydrocarbons can be recovered with up to four wells per section;
- f) After more than 35 years of production from these lands and adjacent lands, newly drilled wells are finding reservoir pressures similar to the offsetting wells and sometimes higher than the offsetting wells demonstrating the potential for additional recovery of hydrocarbons in a section;
- g) Separate and distinct reservoirs will be found with additional wells drilled in the field and hydrocarbons recovered from new wells can not be recovered with the existing wells in the field;
- h) The current orders and rules applicable to the Subject Lands allow for operators to shut-in and plug existing wells in the field with potential resources that may not be recovered in order to drill new wells that have higher potential. Waiting for the existing wells to deplete causes economic waste and higher operating expenses which will reduce the ultimate recovery of the hydrocarbons. Surface facilities deteriorate, gas gathering systems are under utilized and run less efficiently, and overall production operating expenses are higher reducing the effective productive life of the field and reduces ultimate recovery; and
- i) In some areas of the field based on geologic, engineering and economic factors additional drilling with up to four wells per section will not cause unnecessary wells to be drilled and will allow additional hydrocarbons to be economically produced that would otherwise not be recovered.

In addition, the Board expressly made the following Conclusions of Law:

- a) The Lower-Green River-Wasatch formations, as defined in the 139-8 Order, as underlying the [unspaced lands which were the subject of

the Cause] constitute a "common source of supply" as that phrase is defined in Utah Code Ann. §40-6-2(18) [Conclusion of Law No. 3];

- b) Extension of the 139-8 Order to establish consistent and conforming sectional drilling units for the [unspaced lands which were the subject of the Cause] is therefore appropriate, just and reasonable under the circumstances [Conclusion of Law No. 4];
- c) Extension of the 139-84 Order to [all of the lands which were the subject of the Cause] will allow for uniform and consistent development of the Lower Green River-Wasatch oil, gas and associated hydrocarbons and is therefore appropriate, just and reasonable under the circumstances; and
- d) The relief granted hereby will result in consistent and orderly development and the greatest recovery of oil, gas and associated hydrocarbons from the Lower Green River-Wasatch formations underlying [all of the lands which were the subject of the Cause], prevent waste and adequately protect the correlative rights of all affected parties.

12. The testimony and exhibits received into evidence in Cause Nos. 139-84 and 139-85 reflect that, as relevant to the Lower Green River and Wasatch formations underlying the Subject Lands:

- a) Geologic and reservoir characteristics of the Lower Green River-Wasatch formations: (1) as underlying the 139-8 Extension Lands are similar and analogous to those of the 140-6 Lands; and (2) as underlying the Subject Lands are similar and analogous to the adjacent Western Altamont, Cedar Rim-Sink Draw and Black Tail Ridge lands already subject to the 139-84 and 139-85 Orders;
- b) Geologic and engineering information from the initial wells drilled demonstrate that the recoverable oil and gas will not be effectively drained in a 640-acre drilling unit by one (1) or two (2) wells and an addition of up to four (4) wells per section will tap into smaller productive reservoirs that

have geologic and engineering characteristics that prevent one or two wells from draining those resources;

c) Many of the productive reservoirs that are drilled do not correlate well from well to well. This geologic characteristic prevents communication between wells at intervals as small as less than 1,000 feet;

d) The reservoir permeability and nature of the fracture components of the reservoir reduces the effect of communication with the sand that do correlate and does not allow for efficient drainage of the hydrocarbon resource;

e) Production data and geologic calculations demonstrate that one or two wells per section do not effectively drain the reservoir and recoverable hydrocarbons can be recovered with up to four wells per section;

f) After more than 35 years of production from these lands and adjacent lands, newly drilled wells are finding reservoir pressures similar to the offsetting wells and sometimes higher than the offsetting wells demonstrating the potential for additional recovery of hydrocarbons in a section;

g) Separate and distinct reservoirs will be found with additional wells drilled in the field and hydrocarbons recovered from new wells can not be recovered with the existing wells in the field;

h) The current orders and rules applicable to the Subject Lands allow for operators to shut-in and plug existing wells in the field with potential resources that may not be recovered in order to drill new wells that have higher potential. Waiting for the existing wells to deplete causes economic waste and higher operating expenses which will reduce the ultimate recovery of the hydrocarbons. Surface facilities deteriorate, gas gathering systems are under utilized and run less efficiently, and overall production operating expenses are higher reducing the effective productive life of the field and reduces ultimate recovery; and

i) In some areas of the field based on geologic, engineering and economic factors additional drilling with up to four wells per section will not cause unnecessary wells to be drilled and will allow additional hydrocarbons to be economically produced that would otherwise not be recovered.

13. There currently are twelve (12) wells producing oil or gas from the Subject Formations located upon the Subject Lands within Township 4 South, Range 6 West, USM. These are as follows:

<u>Well</u>	<u>Location</u>	<u>Date of First Prod.</u>
7-20-46 DLB (directional)	Sec. 20: SE $\frac{1}{4}$ NW $\frac{1}{4}$ (SHL) Sec. 20: SW $\frac{1}{4}$ NE $\frac{1}{4}$ (BHL)	3/22/08
13H-20-46 LC (horizontal)	Sec. 20: SE $\frac{1}{4}$ SE $\frac{1}{4}$ (SHL) Sec. 20: SW $\frac{1}{4}$ SW $\frac{1}{4}$ (terminus)	5/24/11
7/21/46 DLB (directional)	Sec. 21: NW $\frac{1}{4}$ SE $\frac{1}{4}$ (SHL) Sec. 21: SW $\frac{1}{4}$ NE $\frac{1}{4}$ (BHL)	2/28/08
13H-21-46 (horizontal)	Sec. 21: SE $\frac{1}{4}$ SE $\frac{1}{4}$ (SHL) Sec. 21: SW $\frac{1}{4}$ SW $\frac{1}{4}$ (terminus)	10/9/11
14X-22-46 DLB (directional)	Sec. 22: SW $\frac{1}{4}$ SW $\frac{1}{4}$ (SHL) Sec. 22: SE $\frac{1}{4}$ SW $\frac{1}{4}$ (BHL)	7/10/10
7-28-46 DLB (directional)	Sec. 28: SE $\frac{1}{4}$ NE $\frac{1}{4}$ (SHL) Sec. 28: SW $\frac{1}{4}$ NE $\frac{1}{4}$ (BHL)	2/13/08
LC Tribal 8-28-46	Sec. 28: SE $\frac{1}{4}$ NE $\frac{1}{4}$	3/5/08
12H-28-46 (horizontal)	Sec. 28: NE $\frac{1}{4}$ SE $\frac{1}{4}$ (SHL) Sec. 28: NW $\frac{1}{4}$ SW $\frac{1}{4}$ (terminus)	6/23/11
7-29-46 DLB (directional)	Sec. 29: SE $\frac{1}{4}$ NE $\frac{1}{4}$ (SHL) Sec. 29: SW $\frac{1}{4}$ NE $\frac{1}{4}$ (BHL)	6/13/10

12H-32-46 (horizontal)	Sec. 32: NE $\frac{1}{4}$ SE $\frac{1}{4}$ (SHL) Sec. 32: NW $\frac{1}{4}$ SW $\frac{1}{4}$ (terminus)	6/23/11
5-33-46 DLB (directional)	Sec. 33: NW $\frac{1}{4}$ NW $\frac{1}{4}$ (SHL) Sec. 33: SW $\frac{1}{4}$ NW $\frac{1}{4}$ (BHL)	11/23/10
5-34-46 DLB	Sec. 34: SW $\frac{1}{4}$ NW $\frac{1}{4}$	12/15/10

Because of uniform mineral and leasehold ownership within all of the other sections upon which wells identified above are located, only Section 28 and 32 of Township 4 South, Range 6 West, USM, will require communitization agreements to create conforming sectional proration units. Given the statements made by the BLM concerning determination of the effective date of communitization agreements, given the lack of any objecting parties in this matter, and in order to avoid interference with existing contractual agreements and prior production proceed allocation practices, retroactive sectional spacing of said Section 28 and 32 lands to June 29, 2011, the date of first production from the 12H-28-46 and 12H-32-46 horizontal wells located in the respective sections, is fair, reasonable and just under the circumstances of this case.

14. Based on the testimony given at the hearing, it appears at least four (4) wells per section, whether all vertical or all horizontal, or a combination of both, is required to recover Lower Green River-Wasatch resources from the Subject Lands.

15. A copy of the Request was mailed, postage pre-paid, certified with return receipt requested, and properly addressed to all mineral, leasehold and production interest

owners in the 139-8 Extension Lands, to all working interest owners and operators in the remaining Subject Lands, and to the Utah Division of Forestry, Fire and State Lands (“DFFSL”), the BIA (Uintah and Ouray Agency) and to the Utah State and Vernal Field Offices of the BLM. The mailings were sent to said parties at their last addresses disclosed by the relevant DFFSL, BIA and Duchesne County realty records. Only two mailings were returned due to the refusal by the addressee to pick them up after attempted delivery by the United States Postal Service.

16. Notice of the filing of the Request and of the hearing thereon was duly published in the Salt Lake Tribune and the Deseret Morning News on October 2, 2011 and in the Uintah Basin Standard on October 4, 2011.

17. The vote of the Board members present and participating in the hearing on this Cause was unanimous (7-0) in favor of granting the Request.

CONCLUSIONS OF LAW

1. Due and regular notice of the time, place and purpose of the hearing was properly given to all parties whose legally protected interests are affected by the Request in the form and manner as required by law and the rules and regulations of the Board and Division.

2. The Board has jurisdiction over all matters covered by the Request and all interested parties therein, and has the power and authority to render the order herein set

forth pursuant to Utah Code Ann. §§40-6-5(3)(b) and 40-6-6.

3. The Lower Green River-Wasatch formations, as defined in the 139-8 Order, as underlying the 139-8 Extension Lands constitute a “common source of supply” as that phrase is defined in Utah Code Ann. §40-6-2(18).

4. Extension of the 139-8 Order to establish consistent and conforming sectional drilling units for the 139-8 Extension Lands is therefore appropriate, just and reasonable under the circumstances.

5. Extension of the 139-84 and 139-85 Orders to the Subject Lands, with the additional clarification that the authorized four (4) wells may be either all vertical, all horizontal, or a combination of both, will allow for uniform and consistent development of the Lower Green River-Wasatch oil, gas and associated hydrocarbons and is therefore appropriate, just and reasonable under the circumstances.

6. Utah Admin Code Rule R649-3-2(6) establishes sectional “temporary spacing units” for horizontal wells, but the definition of “temporary spacing units” contained in Utah Admin Code Rule R649-3-1 expressly provides that “[a] temporary spacing unit shall not be a drilling unit as provided for in U.C.A. 40-6-6, Drilling Units, and does not provide a basis for pooling the interest therein as does a drilling unit.” Therefore, an order establishing “permanent” sectional drilling units is required to allow conforming sectional communitization of the Section 28 and 32 lands retroactive to June

23, 2011, as outlined in Findings, Fact No. 14 above, in accordance with Federal regulations, guidelines and practice and to protect correlative rights.

7. The relief granted hereby will result in consistent and orderly development and the greatest recovery of oil, gas and associated hydrocarbons from the Lower Green River-Wasatch formations underlying the Subject Lands, prevent waste and adequately protect the correlative rights of all affected parties.

8. BBC has sustained its burden of proof, demonstrated good cause, and satisfied all legal requirements for the granting of the Request.

ORDER

Based upon the Request, testimony and evidence submitted, and the findings of fact and conclusions of law stated above, the Board hereby orders:

1. The Request in this cause is granted.
2. Application of the 139-8 Order is hereby extended to effectively establish sectional (640-acre or substantial equivalent) drilling units for the production of oil, gas and associated hydrocarbons from the Lower Green River and Wasatch formations, as defined in said Order, for the 139-8 Extension Lands described above.
3. Application of the 139-84 and 139-85 Orders is hereby extended to all of the Subject Lands to allow up to four (4) producing Lower Green River-Wasatch wells, whether all vertical, all horizontal, or a combination of both, upon the sectional drilling

units so established for the 139-8 Extension Lands, as well as the existing sectional drilling units for the 140-6 Lands described above, subject to the same off-set limitations set forth in the 139-84 and 139-85 Orders, and with no additional specific quarter section location requirements for the first well upon such units.

4. As to Sections 28 and 32 of Township 4 South, Range 6 West, USM, application of the 139-8, 139-84 and 139-85 Orders shall be retroactive to June 23, 2011.

5. Pursuant to Utah Admin. Code Rules R641 and Utah Code Ann. §63G-4-204 to 208, the Board has considered and decided this matter as a formal adjudication.

6. This Order is based exclusively on evidence of record in the adjudicative proceeding or on facts officially noted, and constitutes the signed written order stating the Board's decision and the reasons for the decision, all as required by the Administrative Procedures Act, Utah Code Ann. §63G-4-208 and Utah Administrative Code Rule R641-109.

7. Notice re: Right to Seek Judicial Review by the Utah Supreme Court or to Request Board Reconsideration: As required by Utah Code Ann. §63G-4-208(e) - (g), the Board hereby notifies all parties in interest that they have the right to seek judicial review of this final Board Order in this formal adjudication by filing a timely appeal with the Utah Supreme Court within 30 days after the date that this Order issued. Utah Code Ann. §§63G-4-401(3)(a) and 403. As an alternative to seeking immediate judicial

review, and not as a prerequisite to seeking judicial review, the Board also hereby notifies parties that they may elect to request that the Board reconsider this Order, which constitutes a final agency action of the Board. Utah Code Ann. §63G-4-302, entitled, “Agency Review - Reconsideration,” states:

(1)(a) Within 20 days after the date that an order is issued for which review by the agency or by a superior agency under Section 63G-4-301 is unavailable, and if the order would otherwise constitute final agency action, any party may file a written request for reconsideration with the agency, stating the specific grounds upon which relief is requested.

(b) Unless otherwise provided by statute, the filing of the request is not a prerequisite for seeking judicial review of the order.

(2) The request for reconsideration shall be filed with the agency and one copy shall be sent by mail to each party by the person making the request.

(3)(a) The agency head, or a person designated for that purpose, shall issue a written order granting the request or denying the request.

(b) If the agency head or the person designated for that purpose does not issue an order within 20 days after the filing of the request, the request for reconsideration shall be considered to be denied.

Id. The Board also hereby notifies the parties that Utah Admin. Code Rule R641-110-100, which is part of a group of Board rules entitled, “Rehearing and Modification of Existing Orders,” states:

Any person affected by a final order or decision of the Board may file a petition for rehearing. Unless otherwise provided, a petition for rehearing must be filed no later than the 10th day of the month following the date of signing of the final order or decision for which the rehearing is sought. A

copy of such petition will be served on each other party to the proceeding no later than the 15th day of the month.

Id. See Utah Admin. Code Rule R641-110-200 for the required contents of a petition for Rehearing. If there is any conflict between the deadline in Utah Code Ann. §63G-4-302 and the deadline in Utah Admin. Code Rule R641-110-100 for moving to rehear this matter, the Board hereby rules that the later of the two deadlines shall be available to any party moving to rehear this matter. If the Board later denies a timely petition for rehearing, the party may still seek judicial review of the Order by perfecting a timely appeal with the Utah Supreme Court within 30 days thereafter.

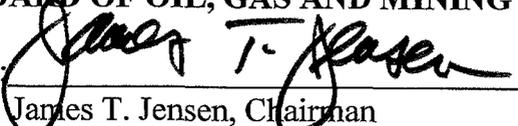
8. The Board retains continuing jurisdiction over all the parties and over the subject matter of this cause, except to the extent said jurisdiction may be divested by the filing of a timely appeal to seek judicial review of this order by the Utah Supreme Court.

9. For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

DATED this 6th day of December, 2011.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING

By:


James T. Jensen, Chairman

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing FINDINGS OF FACT CONCLUSIONS OF LAW AND ORDER for Docket No. 2011-019, Cause No. 139-87 to be mailed with postage prepaid, this 6th day of December, 2011, to the following:

Frederick M. MacDonald
Beatty & Wozniak
6925 Union Park Center, Suite 525
Cottonwood Heights, UT 84047

Michael S. Johnson
Assistant Attorneys General
Utah Board of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

Steven F. Alder
Assistant Attorneys General
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

Bill Barrett Corporation
Attention: David Watts, Landman
1099 18th Street, Suite 2300
Denver, CO 80202-1939

United States of America
Bureau of Land Management
Utah State Office
Attn: Roger L. Banker
P.O. Box 45155
Salt Lake City, UT 84145-0155

David B. Reimann
7872 S. Ivy Court
Centennial, CO 80112

Elaine Shisler
7529 Stone Road
Salt Lake City, UT 84121
[Address updated 9/26/2011]

United States of America
Bureau of Land Management
Vernal Field Office
Attn: Jerry Kenczka
170 South 500 East
Vernal, UT 84078

Duchesne County, a political subdivision
of the State of Utah
734 North Center Street
P.O. Box 270
Duchesne, UT 84021

Eric Walby, a/k/a Eric Scott Walby
Heir of Gustave J. Gourdin and George
Canto
203 N Drive
Brooklyn, MI 49230

United States of America
Bureau of Indian Affairs
Uintah and Ouray Reservation
P.O. Box 130
Ft. Duchesne, UT 84026

Eileen S. Tarcay
465 E. Penney Avenue
Salt Lake City, UT 84115-4616

Francis Roger Wetzel
485 Matterhorn Dr.
Park City, UT 84098-5232

Ute Distribution Corporation
P.O. Box 696
Roosevelt, UT 84066

Joseph L. Reimann
2178 Whitmore Way
Salt Lake City, UT 84121

J. Grant Stringham, Sr.
2560 Lynwood Drive
Salt Lake City, UT 84109

Ute Indian Tribe
Energy and Minerals Dept.
P.O. Box 70
Fort Duchesne, UT 84026

Joshua Brown Hunter
3106 S 400 W
Salt Lake City, UT 84115-3414
[Address updated 10/11/2011]

John Whiteside,
P.O. Box 3
Duchesne, UT 84021

Utah Department of Transportation
(formerly the State Road Commission of
Utah)
4501 S. 2700 West
Salt Lake City, UT 84119

Kelly H. Baxter
P.O. Box 1649
Austin, TX 78767

Robert R. Wetzel
393 West 49th St., No. 2DD
New York, New York 10019

Utah Division of Forestry, Fire and State
Lands
1594 W. North Temple, Suite 3520
Salt Lake City, UT 84114-5703

Kimberly Ann Miller, f/k/a Kimberly
Ann Capa, Heir of Gustave J. Gourdin
and Anna Irene Capa
1912 South 15th Street, Apt. #31
Plattsmouth, NE 68048

Robert Walby, a/k/a Robert Francis
Walby, Heir of Gustave J. Gourdin &
George Canto
66 Feller Dr.
Brooklyn, MI 49230

Kathleen Wetzel
1405 Downington Ave.
Salt Lake City, UT 84105

Kristi Walby, a/k/a Kristi Marie Walby,
Heir of Gustave J. Gourdin and George
Canto
183 Cannes Circle
Brooklyn, MI 49230

Stanley Kermit Poulson, Trustee of the
Kermit Poulson Family Trust
P.O. Box 388
Duchesne, UT 84021

Louise Reimann Erekson
4361 Silas Hutchinson Drive
Chantilly, VA 20151

Mitchell Minerals, LLC
P.O. Box 488
Henryetta, OK 74437

Berry Petroleum Company
1999 Broadway, Suite 3700
Denver, CO 80202

Milton T. Poulson and Pauline Poulson
P.O. Box 267
Rockland, ID 83271

Paul Eldren Reimann
1014 East Center Street
Bountiful, UT 84010

Cameron Coltrain, f/k/a Cameron S.
Denning, Personal Representative of the
Estate of Richard C. Schultz
882 Belfast Drive
Dayton, OH 45440

Thomas G. Wetzel
510 N St.
Rock Springs, WY 82901-5447

Reimann Properties No. 1, LLC, a Utah
Limited Liability Company
2178 Whitmore Way
Salt Lake City, UT 84121-3147

Yvonne Reimann Jacobs
3328 W. 6580 South
West Jordan, UT 84084

The Corporation of the Presiding Bishop
of the Church of Jesus Christ of Latter-
Day Saints, a Utah corporation sole
Attn: Real Estate Division
50 East North Temple Street,
12th Floor East
Salt Lake City, UT 84150

Ute Energy Upstream Holdings, LLC
1875 Lawrence St., Suite 200
Denver, CO 80202

Turner Petroleum Land Services, Inc.
7026 S. 900 East, Suite B
Midvale, UT 84047

Cameron Coltrain, a/k/a Cameron S.
Denning, Personal Representative of the
Estate of Harry J. Schultz
882 Belfast Drive
Dayton, OH 45440

Arden V. Robbins and Joan Robbins, as
H&W, and Kirk Robbins, as JT
650 W. 100 North
Vernal, UT 84078

Trent Willemin
211 N 3000 W
Provo, UT 84601-4022

A handwritten signature in cursive script that reads "Julie Ann Carter". The signature is written in black ink and is positioned above a solid horizontal line that extends to the right.

FILED

OCT 10 2011

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF BILL BARRETT CORPORATION FOR AN ORDER EXTENDING THE BOARD'S ORDERS ENTERED IN CAUSE NOS. 139-8 AND 139-84 TO ESTABLISH SECTIONAL DRILLING UNITS AND AUTHORIZE UP TO FOUR PRODUCING WELLS PER SECTIONAL DRILLING UNIT SO ESTABLISHED OR PREVIOUSLY ESTABLISHED FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE LOWER GREEN RIVER AND WASATCH FORMATIONS UNDERLYING VARIOUS SECTIONS WITHIN TOWNSHIPS 3 AND 4 SOUTH, RANGES 5 AND 7 WEST, USM, DUCHESNE COUNTY, UTAH

**ORDER GRANTING LEAVE TO
SUBSTITUTE AND REPLACE
EXHIBIT**

Docket No. 2011 - 019

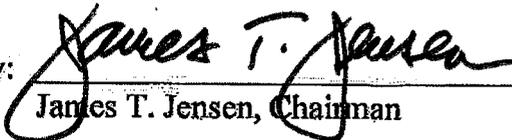
Cause No. 139-87

The Board of Oil, Gas and Mining, having fully considered Bill Barrett Corporation's ("BBC's") Motion for Leave to Substitute and Replace Exhibit filed on October 6, 2011, and finding good cause therefore, hereby grants said Motion and authorizes the substitution and replacement of the Replacement Exhibit "D" attached to the Motion for the original Exhibit "D" currently on file in this Cause.

For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

DATED this 10th day of October, 2011.

**STATE OF UTAH
BOARD OF OIL, GAS AND MINING**

By: 
James T. Jensen, Chairman

5015.81
208308

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing ORDER GRANTING LEAVE TO SUBSTITUTE AND REPLACE EXHIBIT for Docket No. 2011-019, Cause No. 139-87 to be mailed with postage prepaid, this 13th day of October, 2011, to the following:

Frederick M. MacDonald
Beatty & Wozniak
6925 Union Park Center, Suite 525
Cottonwood Heights, UT 84047

Elaine Shisler
7529 Stone Road
Salt Lake City, UT 84121
[Address updated 9/26/2011]

Michael S. Johnson
Assistant Attorneys General
Utah Board of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

United States of America
Bureau of Land Management
Vernal Field Office
Attn: Jerry Kenczka
170 South 500 East
Vernal, UT 84078

Steven F. Alder
Assistant Attorneys General
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

Duchesne County, a political subdivision
of the State of Utah
734 North Center Street
P.O. Box 270
Duchesne, UT 84021

Bill Barrett Corporation
Attention: David Watts, Landman
1099 18th Street, Suite 2300
Denver, CO 80202-1939

Eric Walby, a/k/a Eric Scott Walby
Heir of Gustave J. Gourdin and George
Canto
203 N Drive
Brooklyn, MI 49230

United States of America
Bureau of Land Management
Utah State Office
Attn: Roger L. Banker
P.O. Box 45155
Salt Lake City, UT 84145-0155

United States of America
Bureau of Indian Affairs
Uintah and Ouray Reservation
P.O. Box 130
Ft. Duchesne, UT 84026

David B. Reimann
7872 S. Ivy Court
Centennial, CO 80112

Eileen S. Tarcay
465 E. Penney Avenue
Salt Lake City, UT 84115-4616

Francis Roger Wetzel
485 Matterhorn Dr.
Park City, UT 84098-5232

Ute Distribution Corporation
P.O. Box 696
Roosevelt, UT 84066

Joseph L. Reimann
2178 Whitmore Way
Salt Lake City, UT 84121

J. Grant Stringham, Sr.
2560 Lynwood Drive
Salt Lake City, UT 84109

Ute Indian Tribe
Energy and Minerals Dept.
P.O. Box 70
Fort Duchesne, UT 84026

Joshua Brown Hunter
3106 S 400 W
Salt Lake City, UT 84115-3414
[Address updated 10/11/2011]

John Whiteside,
P.O. Box 3
Duchesne, UT 84021

Utah Department of Transportation
(formerly the State Road Commission of
Utah)
4501 S. 2700 West
Salt Lake City, UT 84119

Kelly H. Baxter
P.O. Box 1649
Austin, TX 78767

Robert R. Wetzel
393 West 49th St., No. 2DD
New York, New York 10019

Utah Division of Forestry, Fire and State
Lands
1594 W. North Temple, Suite 3520
Salt Lake City, UT 84114-5703

Kimberly Ann Miller, f/k/a Kimberly Ann
Capa, Heir of Gustave J. Gourdin and Anna
Irene Capa
1912 South 15th Street, Apt. #31
Plattsmouth, NE 68048

Robert Walby, a/k/a Robert Francis
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66 Feller Dr.
Brooklyn, MI 49230

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1405 Downingtown Ave.
Salt Lake City, UT 84105

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