

U.S. Department of Interior
Bureau of Land Management
Glenwood Springs Energy Office
2425 S. Grand Ave., Suite 101
Glenwood Springs, Colorado 81601

Statutory Categorical Exclusion: CO140-2006-095

Project: Application for Permit to Drill; Shideler Federal 43A, 43D, 44B-29-692.

Surface Location: SESE, Sec 29, T6S, R92W

Proposal: Bill Barrett Corporation proposed to drill the above named wells on the existing Porter Federal 16-29 location. No new surface disturbance is anticipated. Existing access roads and pipeline corridors will be used.

Lease stipulations and Conditions of Approval: Stipulations in federal lease # C-56027 remain in effect and includes a No Surface Use from December 1 through April 30 to protect big game winter range. Conditions of Approval developed for this location in the CO140-2005-093 EA will be attached to individual APDs.

NEPA Compliance: Category #2 of Section 390 Categorical Exclusions of Oil and Gas Development: Drilling an oil and gas location or well pad at a site at which drilling has occurred within five (5) years prior to the date of spudding the well.

Category #3 of Section 390 Categorical Exclusions of Oil and Gas Development: Drilling an oil or gas well within a developed field for which an approved land use plan or any environmental document prepared pursuant to NEPA analyzed drilling as a reasonably foreseeable activity, so long as such plan or document was approved within five (5) years prior to the date of spudding the well.

Site-specific analysis for this location was completed in 2005. Conditions of Approval developed in that analysis will be attached to the APD.

MIGRATORY BIRDS:

The development of reserve pits in the project area may be expected to attract waterfowl and other migratory birds for purposes of resting, foraging, or as a source of free water. The extent and nature of the problem is not well defined, but management measures must be conservative and relegated to preventing bird contact with produced water and drilling and completion fluids that may pose a problem (e.g., acute or chronic toxicity, compromised insulation).

Mitigation:

It will be the responsibility of the operator to comply with the Migratory Bird Treaty Act with respect to “take” of migratory bird species. As such, the operator is requested to prevent use by migratory birds of reserve pits, produced water pits, and evaporation pits, that store or are expected to store fluids which may pose a risk to such birds (e.g., migratory waterfowl, shorebirds, wading birds and raptors) during

completion and after completion activities have ceased. Several established methods to prevent bird access are known to work. Methods may include but are not limited to netting, the use of bird-balls, or other alternative methods that effectively prevent bird access/use. Regardless of the method used, it will be applied within 24 hours after completion activities have begun. All lethal and non-lethal events that involve migratory birds will be reported to the Natural Resource Specialist immediately upon their discovery.

Prepared by: Rick Haskins 3/21/2006.

Approval: It is my decision to approve the proposed action with the above referenced terms and conditions.


Steve Bennett, Associate Field Manager

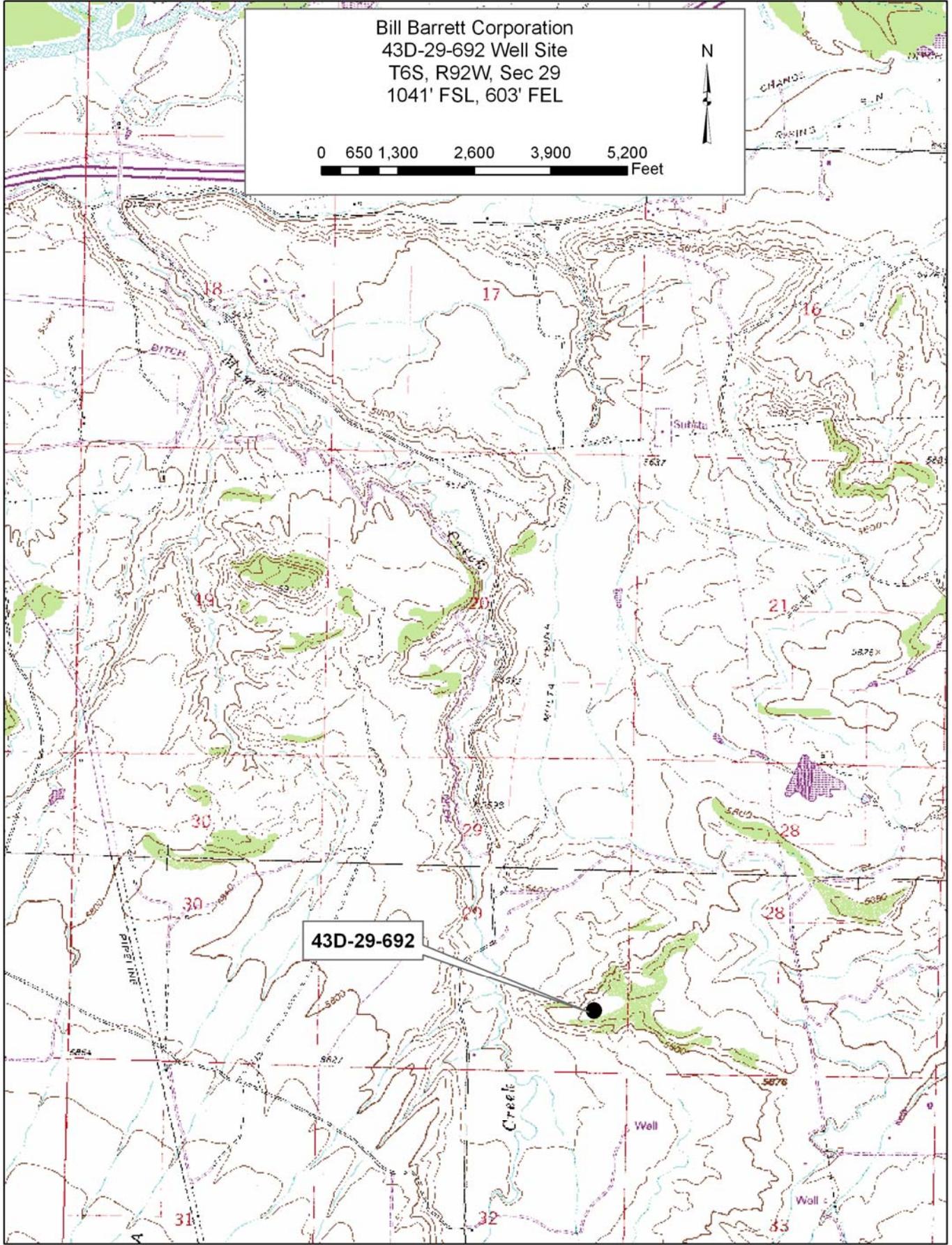
MAY 17 2006

Date

Bill Barrett Corporation
43D-29-692 Well Site
T6S, R92W, Sec 29
1041' FSL, 603' FEL



0 650 1,300 2,600 3,900 5,200
Feet



CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: **Bill Barrett Corporation**

Well Name	Well No.	Surface Hole Location	Bottom Hole Location	Lease
Shideler Fed	43A-29-692	SESE Sec 29 T06S, 92W	NESE Sec 29 T06S, 92W	COC-56027
Shideler Fed	44B-29-692	SESE Sec 29 T06S, 92W	SESE Sec 29 T06S, 92W	COC-56027
Shideler Fed	43D-29-692	SESE Sec 29 T06S, 92W	NESE Sec 29 T06S, 92W	COC-56027

NOTIFICATION REQUIREMENTS

- Location Construction - at least forty-eight (48) hours prior to construction of location and access roads.
- Spud Notice - at least twenty-four (24) hours prior to spudding the well.
- Casing String and Cementing - at least twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and Related Equipment Tests - at least twenty-four (24) hours prior to initiating pressure tests.
- First Production-Notice within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days.
- Reclamation - At least (24) hours prior to re-shaping the well pad.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

Please contact Marty O'Mara (970) 947-5221 of the Glenwood Springs field office at least 24 hours prior to spud.

Please contact **Steve Ficklin (970) 947-5213, or Jennifer Gallegos (970) 947-5220 of the Glenwood Springs** field office at least 24 hours prior to running the surface and production casing and conducting the BOP test.

DOWNHOLE CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

1. The TOC for the production casing needs to be at least 200' above the top of the Mesa Verde formation either during the primary cement job or through remedial cementing. The TOC for each well must be a minimum depth of:

<u>Well No.</u>	<u>MD</u>	<u>Minimum TOC</u> <u>TVD</u>
43A-29-692	3019'	2997'
44B-29-692	2922'	2902'
43D-29-692	3182'	3036'

2. A cement bond log (CBL) will be run from the production casing shoe to **TOC** and shall be utilized to determine the bond quality for the production casing.
3. Any usable water zones encountered below the surface casing shall be isolated and or protected by cementing across the zone. The minimum requirement is to cement from 50 feet above to 50 feet below each usable water zone encountered. Contact BLM upon encountering any usable water zones.
4. In addition to the Onshore Order No. 2 BOP testing requirements, for safety concerns, please test BOP to 250 psi for 5 minutes.
5. The BLM Glenwood Springs Field Office engineer must be contacted prior to the using of diesel oil in the mud system.

REGULATORY REMINDERS

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All drilling operations, unless otherwise specifically approved in the APD, must be conducted in accordance with Onshore Oil and Gas Order No. 2.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors.

A copy of the approved application for permit to drill (APD), including the conditions of approval and accompanying surface use plan will be furnished to the field representative by the operator to insure compliance and will be available to authorized personnel at the drillsite whenever active construction or drilling operations are underway.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

In the event after-hours approval or notification is necessary, please contact:

Marty O'Mara Petroleum Engineer	C: 970.319.5837 H: 970.285.9473
Steve Ficklin PET	C: 970.319.2509
Jennifer Gallegos PET	C: 970.319.2111
BLM Fax	970.947.5267

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

- Unused fracturing fluids or acids
- Gas plant cooling tower cleaning wastes
- Painting wastes
- Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids
- Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste
- Refinery wastes
- Liquid and solid wastes generated by crude oil and tank bottom reclaimers
- Used equipment lubrication oils
- Waste compressor oil, filters, and blowdown
- Used hydraulic fluids
- Waste solvents
- Waste in transportation pipeline-related pits
- Caustic or acid cleaners
- Boiler cleaning wastes
- Boiler refractory bricks
- Incinerator ash
- Laboratory wastes
- Sanitary wastes
- Pesticide wastes
- Radioactive tracer wastes
- Drums, insulation and miscellaneous solids.

SURFACE USE CONDITIONS OF APPROVAL

Lease C-56027

Shideler Federal 43A-29-692

Shideler Federal 44B-29-692

Shideler Federal 43D-29-692

1. The Authorized Officer or his representative shall be contacted at least 48 hours prior to the anticipated start of construction.
2. Operator will consult the State of Colorado Water Quality Control Division (for stormwater permits) prior to commencing construction activities related with said permit within the proposed action area. Written documentation to the Authorized Officer is required to indicate that appropriate permits have been obtained or are not required by the permitting agencies.
3. The paint color to be used on all surface facilities including the metal containment rings surrounding the tank batteries and pipeline risers is Shale Green (5Y 4/2).
4. Place silt fence on the slope below the Federal 16-29 location to control runoff.
5. The SE corner of the pad should be rounded off (pulled back) to avoid the ridge and trees.
6. The area around the MC Federal 33-14 will be surveyed each year prior to drilling activities for raptor nesting activity. If nests are active, no drilling or completion activities are permitted within 1/8 mile of the active nest.
7. A minimum of 2 feet of freeboard will be maintained in the reserve pit as measured between the maximum fluid level and pad grade (this does not include any berms). Pits will be designed to exclude surface runoff. The reserve pit will be fenced to exclude livestock.
8. The location (exclusive of the reserve pit) will be recontoured to conform to the surround terrain as soon as drilling activities are completed.
9. The operator is responsible for applying dust abatement measures to prevent heavy plumes of dust from road use that create safety problems and disperses heavy amounts of particulate matter on adjacent vegetation. The level and type of treatment (watering or application of various dust agents, surfactants and road surfacing material) may be changed in intensity and must be approved by the Authorized Officer.

The pad access road will be crowned, ditched, graveled, properly drained and maintained by the operator.

10. It will be the responsibility of the operator to comply with the Migratory Bird Treaty Act with respect to "take" of migratory bird species. As such, the operator is requested to prevent use by migratory birds of reserve pits, produced water pits, and evaporation pits, that store or are expected to store fluids which may pose a risk to such birds (e.g., migratory waterfowl, shorebirds, wading birds and raptors) during completion and after completion activities have ceased. Several established methods to prevent bird access are known to

work. Methods may include but are not limited to netting, the use of bird-balls, or other alternative methods that effectively prevent bird access/use. Regardless of the method used, it will be applied within 24 hours after completion activities have begun. All lethal and non-lethal events that involve migratory birds will be reported to the Natural Resource Specialist immediately upon their discovery.

11. Prior to any well pad construction, any knapweed infestations or other listed State and Garfield County noxious weeds will be sprayed with the appropriate herbicide. This will help minimize the risk of spreading noxious weeds to other locations. The treatment would be most effective if applied at least 30 days before construction of the pad. All State and Garfield County listed noxious weeds which may be introduced due to soil disturbance will be treated promptly by methods approved by the Authorized Officer. A pesticide Use Plan is required prior to use of any pesticide.

For the life of the wells, the operator shall be responsible for monitoring for the presence of any State or County-listed noxious weeds at least once each year during the active growing season.

12. Remote monitoring will be conducted during the winter months to minimize site visits to pad locations and reduce traffic impacts to wintering big game wildlife. In addition, scheduled winter visits (those other than for emergency purposes), should be scheduled between 10 a.m. and 3 p.m. to further minimize disturbance to wintering big game wildlife.

13. Cultural Resource Education/Discovery Stipulation: All persons in the area who are associated with this project must be informed that if anyone is found disturbing historic, archaeological, or scientific resources, including collecting artifacts, the person or persons will be subject to prosecution.

Pursuant to 43CFR10.4(g), the BLM authorized officer must be notified, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43CFR10.4 (c) and (d), activities must stop in the vicinity of the discovery and the discovery must be protected for 30 days or until notified to proceed by the authorized officer.

If in connection with operations under this contract the project proponent, his contractors, subcontractors, or the employees of any of them, discovers, encounters or becomes aware of any objects or sites of cultural or paleontological value or scientific interest such as historic or prehistoric ruins, graves or grave markers, fossils, or artifacts, the proponent shall immediately suspend all operations in the vicinity of the cultural or paleontological resource and shall notify the BLM authorized officer of the findings (16 U.S.C. 470h-3, 36 CFR 800.112). Operations may resume at the discovery site upon receipt of written instructions and authorization by the authorized officer. Approval to proceed will be based upon evaluation of the resource. Evaluation shall be by a qualified professional selected by the authorized officer from a federal agency insofar as practicable. When not practicable, the holder shall bear the cost of the services of a non-federal professional.

Within five working days, the authorized officer will inform the holder as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the holder will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,

- a time frame for the authorized officer to complete an expedited review under 36 CFR 800.11, or any agreements in lieu thereof, to confirm through the State Historic Preservation Officer that the findings of the authorized officer are correct and the mitigation is appropriate.

The proponent may relocate activities to avoid the expense of mitigation and/or the delays associated with this process, as long as the new area has been appropriately cleared of resources and the exposed materials are recorded and stabilized. Otherwise, the proponent will be responsible for mitigation costs. The authorized officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the authorized officer that the required mitigation has been completed, the proponent will then be allowed to resume construction.

Antiquities, historic ruins, prehistoric ruins, paleontological objects, or objects of scientific interest that are outside of the authorization boundaries but directly associated with the impacted resource will also be included in this evaluation and/or mitigation.

Antiquities, historic ruins, prehistoric ruins, paleontological objects, or objects of scientific interest, identified or unidentified, that are outside of the authorization and not associated with the resource within the authorization will also be protected. Impacts that occur to such resources, which are related to the authorization's activities, will be mitigated at the proponent's cost including the cost of consultation with Native American groups.

14. All persons associated with operations under this authorization must be informed that any objects or sites of paleontological or scientific value, such as vertebrate or scientifically important invertebrate fossils, shall not be damaged, destroyed, removed, moved or disturbed. If in connection with operations under this authorization any of the above resources are encountered the proponent shall immediately suspend all activities in the immediate vicinity of the discovery that might further disturb such materials and notify the BLM authorized officer of the findings. The discovery must be protected until notified to proceed by the authorized officer.

As feasible, the proponent shall suspend ground-disturbing activities at the discovery site and immediately notify the BLM authorized officer of any finds. The BLM authorized officer will, as soon as feasible, have a BLM-permitted paleontologist check out the find and record and collect it if warranted. If ground-disturbing activities cannot be immediately suspended, the proponent shall work around or set the discovery aside in a safe place to be accessed by the BLM-permitted paleontologist.

15. Reclamation Plan. Refer to Appendix I. Surface Reclamation of the 6/98 GSFO's Draft Supplemental EIS for Oil & Gas Leasing Development (pages I-1 through I-8) for specific reclamation goals, objectives, timelines, measures and monitoring methods. These guidelines will be followed in completing the reclamation of disturbed surfaces on well pads, access roads and pipelines.

Revegetation: The surface owner will determine the seed mix to be used in the revegetation of well pad locations and access roads to allow for the best integration of species into the grazing management plan for that location.

The following seed mix is recommended to meet interim reclamation standards and provided winter forage and browse for wildlife.

<u>Species of Seed</u>	<u>Variety</u>	<u>Application Rate (lbs. PLS/acre)</u>
Western wheatgrass	Arriba	3.0
Bluebunch wheatgrass	P7	2.0
Sandberg bluegrass		3.0
Bottlebrush squirreltail		2.0
Wyoming big sagebrush		0.5
<i>Four-wing saltbush</i>	<i>Rincon</i>	<u>1.5</u>
Total:		12.0 lbs. PLS/acre

Prepare the seedbed by contour cultivating 4-6 inches deep. Drill seed ¼ to ½ inch deep following the contour. In areas that cannot be drilled, broadcast seed at 1½ times the application rate and cover ¼ to ½ deep with a harrow or drag bar. If the seeding is unsuccessful, operator will be required to make subsequent seedings until the reclamation objectives identified in Appendix I. Surface Reclamation of the 6/98 GSFO's Draft Supplemental EIS for Oil & Gas Leasing Development are met.

Erosion Control Practices

The cut and fill slopes will be protected against rilling and erosion with measures such as water bars, lateral furrows, or other measures approved by the Authorized Officer. Weed free straw bales, straw "wattles", straw matting or a well-anchored fabric silt fence will be used on cuts and fill slopes to protect against soil erosion.

Topsoil Practices

During well pad, road and/or pipeline construction, topsoil will be stripped to a minimum depth of 6 inches and segregated from other subsurface material piles, i.e. excess material from reserve pit construction. The top 6 inches of surface material will be stripped and stockpiled.

Site Protection Practices

Reclaimed areas will be fenced to exclude livestock until seeded species have established. The Authorized Officer will approve the type of fencing. Fencing shall be to BLM standards

16. The operator will submit an annual reclamation report by December 31 to the Authorized Officer. The report will document compliance with all aspects of the reclamation objectives. The report will specify if the reclamation objectives are likely to be achieved and actions needed to meet these objectives.

17. The reclaimed area will be fenced to exclude livestock until seeded species have established. The Authorized Officer will approve the type of fencing. Fencing shall be to BLM standards.

Notice: Check the lease for stipulations concerning Timing Limitations, No Surface Occupancy and Controlled Surface Use.