

Proj # 2059



DEPARTMENT OF NATURAL RESOURCES

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March 8, 2010 - went out to BBC

Mr. Doug Dennison
 Bill Barrett Corporation
 Environmental-Governmental Affairs Liason
 112 Red Feather Trail
 Silt, CO 81652

Re: Request for Voluntary Investigation Activities
 Miller Water Well Thermogenic Gas Impact
 NESE Section 31 T6S R91W, Water Well Permit 167281
 Garfield County, Colorado
 COGCC Project #2059

Dear Mr. Dennison,

The purpose of this letter is to follow up the telephone conversation Colorado Oil and Gas Conservation Commission (COGCC) staff had with Mr. Scot Donato of Bill Barrett Corporation (BBC) on March 2, 2010 regarding the Miller domestic water well. BBC's analytical data from December, January and February 2010 sampling conducted at this well indicate that the Miller's domestic water well contains not only methane, but heavier hydrocarbon gases including hexanes, that are indicative of impacts from thermogenic gas. I will be the primary point of contact at the COGCC for this investigation and understand that you are the primary point of contact for BBC.

The COGCC appreciates the proactive position BBC has adopted towards mitigating the impacts from this situation to the Millers. Mr. Donato indicated that BBC had spoken with the Millers and offered to provide drinking water to them as a good neighbor while the investigation proceeds. You indicated in our conversation Thursday, March 4, 2010 that the Millers are deciding if they will accept that offer and that you would encourage them to accept the offer. The COGCC understood from both you and Mr. Donato that you met the Millers and a water well contractor on Friday, March 5, 2010 to evaluate or conduct disinfecting treatment of the well to address bacterial contributions to the water quality.

COGCC staff are evaluating all oil and gas wells within ½ mile of the Miller domestic water well for an anomalies indicative of problems. All oil and gas wells identified by a COGCC data search within a ½ mile radius have BBC listed as the operator. Based on initial review, staff considers wells on the GGU Barge pad (Section 32, T6S, R91W) as high priority for detailed

investigation because of proximity to the impacted domestic water well and the wells from this pad are structurally down-dip from the Miller domestic water well. COGCC staff have identified five (5) wells that BBC should initially focus on for bradenhead pressure testing and production gas composition and isotopic gas sampling. These wells are listed in Attachment A

Mr. Donato indicated in the March 2, 2010 phone conversation that BBC will voluntarily conduct an investigation, in cooperation with the COGCC, to determine the source of the thermogenic gas in the Miller domestic water well. At this time the steps that COGCC discussed with Mr. Donato are as follows.

- BBC is encouraged to continue to provide the Millers with water for both drinking and for household uses such as bathing/showering while the investigation proceeds.
- COGCC is requesting cooperation from BBC in supplying all engineering and drilling documentation for oil and gas wells which COGCC identifies as wells of interest.
- COGCC is requesting bradenhead testing for nearby wells. This testing may occur in a phased approach, initiating with pads closest to the Miller domestic well and moving away as the investigation progresses. COGCC will supply a list of wells for bradenhead testing with phases identified. The COGCC understands that the bradenhead valves on BBC wells are left open as standard procedure. This testing will require a seven day shut in of the bradenheads prior to testing. During this shut in period the bradenhead pressures must be monitored to ensure excessive pressure does not develop. COGCC staff will coordinate this testing and may be involved in witnessing the testing.
- COGCC is requesting both bradenhead and production gas composition and isotopic gas sampling be conducted at wells with bradenhead pressures, as identified in the bradenhead testing activity, and additional wells COGCC may identify. COGCC will supply an additional list of wells for sampling. COGCC staff may be involved in collecting split samples during this sampling.

Further activities may be required to fully investigate the source of the thermogenic gas in this domestic water well, pending the outcome of the activities mentioned above. All data gathered as part of these activities should be relayed to the COGCC as quickly as is reasonable after collection.

Mr. Donato indicated in the March 2, 2010 conversation that BBC was willing to agree in writing to undertaking the voluntary steps identified above. Please sign below to verify that BBC is in agreement to conducting these activities and return a signed copy of this letter to me.

BBC Representative Signature: _____

BBC Representative Printed: _____

Date Signed: _____

The COGCC looks forward to cooperating with BBC in conducting this investigation to resolve the impact to the Miller domestic well.

If you require any additional information, please call me at 970-625-2497.

Regards,

Linda Spry O'Rourke
Environmental Protection Specialist II

Attachments: Attachment A – List of Five Priority Gas Wells for Investigation

Cc: Scot Donato – BBC Manager, Governmental Affairs
Dave Neslin – COGCC Director
Debbie Baldwin – COGCC Environmental Manager
Alex Fischer – COGCC Environmental Supervisor
Bob Chesson – COGCC Environmental Protection Specialist
Kevin King – COGCC NW Area Engineer