

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

IN THE MATTER OF THE APPLICATION OF
WILLIAMS PRODUCTION RMT COMPANY FOR
AN ORDER ESTABLISHING WELL LOCATION
AND SETBACK RULES FOR THE DRILLING OF
WILLIAMS FORK FORMATION WELLS ON
CERTAIN DESCRIBED LANDS IN GARFIELD
COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW Williams Production RMT Company ("Applicant"), a Delaware corporation, by its attorneys, Poulson, Odell and Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order establishing well location and setback rules applicable to the drilling and producing of wells from the Williams Fork Formation of the Mesaverde Group underlying certain described lands in the Grand Valley, Rulison and Allen Point Field areas, Garfield County, Colorado and in support of its application states and alleges as follows:

1. That Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. That Applicant owns a leasehold interest in all or a portion of the following described lands (hereinafter "Application Lands"):

Township 6 South, Range 96 West, 6th P.M.

Section 22: SE/4

Section 26: N/2NE/4, NW/4NW/4, N/2SW/4, SW/4SW/4

Section 27: NW/4, N/2SW/4, NW/4NE/4

Section 28: N/2NW/4, S/2NE/4, N/2SE/4

Section 29: S/2NW/4, W/2SE/4, SE/4SW/4

Section 30: NW/4

Section 31: N/2NE/4, S/2SE/4

Section 32: NE/4NW/4, SE/4NE/4, NE/4SE/4

Section 33: SW/4NW/4, N/2SW/4

Township 6 South, Range 97 West, 6th P.M.

Section 14: N/2

Section 23: NW/4

Section 27: All

Township 7 South, Range 96 West, 6th P. M.

Section 6: NW/4

Section 7: SW/4

Section 8: W/2

Section 19: SE/4

Section 20: S/2

Section 21: All

Section 22: NW/4

Section 28: N/2, SE/4, N/2SW/4, SW/4SW/4

Section 29: All

Section 30: SW/4SW/4

Section 31: N/2, SW/4, N/2SE/4, SW/4SE/4

Section 32: W/2NW/4, NE/4NW/4, NW/4SW/4

Section 34: E/2SE/4

Township 7 South, Range 97 West, 6th P.M.

Section 11: NE/4

Township 6 South, Range 94 West, 6th P.M.

Section 1: NW/4NW/4, S/2N/2, N/2SW/4, E/2SE/4

Section 2: N/2NW/4, NE/4, S/2SW/4, NE/4SW/4, SW/4SE/4

Section 3: NE/4NE/4, NW/4NW/4, S/2NW/4, S/2

Section 12: NE/4, W/2NW/4, SE/4NW/4, NW/4SE/4, E/2SW/4, SE/4SE/4

Section 13: S/2

Section 14: NW/4, N/2SW/4

Township 6 South, Range 93 West, 6th P.M.

Section 5: SW/4NW/4, N/2S/2, SE/4SW/4, SW/4SE/4

Section 6: W/2, NW/4NE/4, SE/4NE/4, SE/4

Section 7: All

Section 8: NW/4, SW/4NE/4, W/2SW/4

Township 6 South, Range 95 West, 6th P.M.

Section 20: NW/4, NW/4NE/4

3. That the following described Application Lands are unspaced and subject to the Commission's Order No. 510-1 allowing Williams Fork wells to be located no closer than 400 feet from the boundaries of any lease line and no closer than 800 feet from any existing Williams Fork Formation well or wells:

Township 6 South, Range 96 West, 6th P.M.

Section 22: SE/4

Section 28: N/2NW/4, S/2NE/4

Section 29: S/2NW/4, W/2SE/4, SE/4SW/4

Section 30: NW/4

Section 31: N/2NE/4, S/2SE/4

Section 32: NE/4NW/4, SE/4NE/4, NE/4SE/4

Section 33: SW/4NW/4, N/2SW/4

Township 6 South, Range 97 West, 6th P.M.

Section 14: N/2

Section 23: NW/4

Section 27: All

Township 7 South, Range 96 West, 6th P.M.

Section 6: NW/4

Section 7: SW/4

Section 8: W/2

Section 19: SE/4

Section 20: S/2

Section 21: All

Section 22: NW/4

Section 28: N/2, SE/4, N/2SW/4, SW/4SW/4

Section 29: All

Section 30: SW/4SW/4

Section 31: N/2, SW/4, N/2SE/4, SW/4SE/4

Section 32: W/2NW/4, NE/4NW/4, NW/4SW/4

Section 34: E/2SE/4

Township 7 South, Range 97 West, 6th P.M.

Section 11: NE/4

4. That the following described Application Lands constitute all or portions of 320 acre drilling and spacing units established for the Mesaverde Formation under the Commission's Order No. 479-2 Corrected 11/90 and that pursuant to the Commission's Order 479-5, each 320 acre drilling and spacing unit has been authorized eight (8) wells to be optionally drilled into and produced from the Williams Fork Formation, with the permitted well to be located no closer than 400 feet from the boundaries of the unit and no closer than 800 feet from any existing Williams Fork well or wells:

Township 6 South, Range 96 West, 6th P.M.

Section 26: N2NE/4, NW/4NW/4, N/2SW/4, SW/4SW/4

Section 27: NW/4, N/2SW/4, NW/4NE/4

5. That the following described Application Lands are now unspaced (pursuant to the Commission's Order 139-52) and are subject to the Commission's Rule 318:

Township 6 South, Range 94 West, 6th P.M.

Section 1: NW/4NW/4, S/2N/2, N/2SW/4, E/2SE/4

Section 2: N/2NW/4, NE/4, S/2SW/4, NE/4SW/4, SW/4SE/4

Section 3: NE/4NE/4, NW/4NW/4, S/2NW/4, S/2

Section 12: NE/4, W/2NW/4, SE/4NW/4

6. That the following described Application Lands constitute all or portions of 320 acre drilling and spacing units established for the Mesaverde Formation under the Commission's Order No. 139-16 Corrected 11/90 with Mesaverde wells to be located in NE/4 or SW/4 of the drilling unit no less than 600 feet from the unit boundaries and at least 1200 feet from the nearest well producing from the same source of supply:

Township 6 South, Range 93 West, 6th P.M.

Section 5: SW/4NW/4, N/2S/2, SE/4SW/4, SW/4SE/4

Section 6: W/2, NW/4NE/4, SE/4NE/4, SE/4

Section 7: All

Section 8: NW/4, SW/4NE/4, W/2SW/4

Township 6 South, Range 94 West, 6th P.M.

Section 12: NW/4SE/4, E/2SW/4, SE/4SE/4

Section 13: S/2

Section 14: NW/4, N/2SW/4

[Note: The above described lands in Section 12 and Section 13 of Township 6 South, Range 94 West are also subject to the Commission's Order 479-5 Amended which allows up to eight (8) Williams Fork wells to be optionally drilled within the 320 acre drilling and spacing unit in which such Application Lands are located with the permitted well to be located no closer than 400 feet from the boundaries of the unit and no closer than 800 feet from any existing Williams Fork Formation well or wells. The above described lands in Section 14 of Township 6 South, Range 94 West are also subject to the Commission's Order 139-28 which allows up to eight (8) Williams Fork wells to be optionally drilled within the 320 acre drilling and spacing unit in which such Application Lands are located with the permitted well to be located no closer than 400 feet from the boundaries of the unit and no closer than 800 feet from any existing Williams Fork Formation well or wells.]

7. That the following described Application Lands constitute all or portions of 320 acre drilling and spacing units for the Mesaverde Formation under the Commission's Order 440-12 Corrected 11/90 with permitted well to be located within the unit no closer than 600 feet from the boundaries of the unit and no closer than 1200 feet from any well producing or producible from the same formation. Order No. 440-16 Amended Corrected then allowed the drilling of up to eight Williams Fork wells to be

optionally drilled in the unit with the permitted well to be located no closer than 400 feet from the boundaries of the unit and no closer than 800 feet from any existing Williams Fork well or wells:

Township 6 South, Range 95 West, 6th P.M.

Section 20: NW/4, NW/4NE/4

8. That the following described Application Lands were established as part of a 160 acre drilling and spacing unit for the Mesaverde Formation under the Commission's Order 495-1 with the GV-26-28 well being established as the permitted well for such unit:

Township 6 South, Range 96 West, 6th P.M.

Section 28: N/2SE/4

[It is to be noted that these lands were included by mistake under the Commission's Order 510-1 as being unspaced. Order 510-1 allows Williams Fork wells to be located no closer than 400 feet from the boundaries of any lease line and no closer than 800 feet from any existing Williams Fork well or wells. Since the SE/4 of Section 28 constitutes a 160 acre drilling and spacing unit for the Mesaverde Formation and has been communitized under applicable federal regulations, it is assumed that Order 510-1 as to these lands would be interpreted to allow Williams Fork wells to be located no closer than 400 feet from the boundaries of the drilling and spacing unit and no closer than 800 feet from any existing Williams Fork well or wells.]

9. That multiple wells have been drilled upon the Application Lands or upon lands in close proximity to the Application lands with the result that geological and engineering evidence indicates that Williams Fork wells now should be allowed to be drilled on a ten (10) acre density basis.

10. That as to the Application Lands, the Commission should allow all future Williams Fork wells drilled thereon to be located downhole anywhere upon such lands but no closer than 100 feet from the outside boundary of the drilling and spacing unit in the case where Application Lands constitute all of a portion of such spacing unit and no closer than 100 feet from any leasehold boundary as to Application Lands which are unspaced unless such unit boundary (or leasehold boundary in the case of Application Lands which are unspaced) abuts or corners lands in respect of which the Commission has not at the time of the drilling permit application granted the right to drill 10 acre density wells in which event the well may be drilled downhole no closer than 200 feet from that portion of the unit boundary (or leasehold boundary) which so abuts or corners the lands in respect of which 10 acre density downhole drilling for Williams Fork wells has not been ordered by the Commission.

11. That, except as previously authorized by order of the Commission, wells to be drilled under this Application will be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter quarter section unless exception is granted by the Director of the Colorado Oil and Gas Conservation Commission.

12. The granting of this application will not promote waste; will not violate correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoir.

13. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in April, 2006, that notice be given as required by law and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated: March _____, 2006.

POULSON, ODELL AND PETERSON, LLC

By: _____
William A. Keefe
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
Phone: 303-861-4400

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

Christopher M. Walsh, of lawful age, being first duly sworn upon oath, deposes and says that he is a Senior Landman for Williams Production RMT Company and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Christopher M. Walsh

Subscribed and sworn to before me this _____ day of March, 2006.

Witness my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT A

Mark Bean
Garfield County
144 E. 3rd
Rifle, CO 81650

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

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WILLIAMS PRODUCTION RMT COMPANY FOR
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CAUSE NO.

DOCKET NO.

AFFIDAVIT OF MAILING

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

William A. Keefe of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for Williams Production RMT Company, that on March _____, 2006, he caused a copy of the attached Application in the subject docket to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

William A. Keefe

Subscribed and sworn to before me on March _____, 2005.

Witness my hand and official seal.

My commission expires: _____

Notary Public