

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 GRANTING AN EXCEPTION  
LOCATION FOR THE GM 42-1 WELL LOCATED  
IN SE/4NE/4 OF SECTION 1, TOWNSHIP 7 SOUTH,  
RANGE 96 WEST, GARFIELD COUNTY,  
COLORADO

CAUSE NO. 440

DOCKET NO.

**APPLICATION**

COMES NOW Williams Production RMT Company ("Applicant"), a Delaware corporation, by its attorneys, Poulson, Odell & Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order granting an exception location for the GM 42-1 well. In support of its application, Applicant states and alleges as follows:

1. That Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. That the following described lands constitute a 320 acre drilling and spacing unit established for the Mesaverde Formation under the Commission's Order 479-1:

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

Section 1: N/2

(hereinafter "drilling unit")

3. That, pursuant to the Commission's Order 440-23, the S/2N/2 of the drilling unit was approved for the drilling of Williams Fork wells on a ten (10) acre density basis with each permitted well to be located no closer downhole than 100 feet to the drilling and spacing unit boundary unless the exterior lands of the unit boundary have not also been granted ten (10) acre density drilling for the Williams Fork Formation in which event the well may be located no closer downhole than 200 feet to the drilling and spacing unit boundary.

4. That on July 14, 1999, Barrett Resources Corporation (now Williams Production RMT Company) commenced the drilling of the GM-42-1 well from a location in the SE/4NE/4 of the drilling unit and completed same as a producer from the Williams Fork Formation. The well was not drilled directionally. Subsequently, due to the greater density of Williams Fork wells being drilled in the area, Applicant undertook to survey gyroscopically the entire length of each of its existing wells drilled in the general area of the drilling unit and discovered that the GM-42-1 well had a bottom hole location beyond the one hundred feet minimum setback

requirement established by the Commission under Order 440-23 (see plat on attached Exhibit "A").

5. Following such discovery of this improper downhole location, Applicant proposed a fair and reasonable formula to allocate production from the well to net revenue interest owners both within the drilling unit and within the drilling and spacing unit which had been encroached upon, being the S/2 of Section 1, T7S, R96W. It is to be noted that the N/2S/2 of Section 1 also had been granted ten acre density drilling under Order 440-23.

6. Two of these interest owners objected to Williams proposal (see attached Exhibits "B" and "C"). The remainder of the interest owners either accepted the proposal or declined to object (see Exhibit "D" for a complete list of interest owners).

7. In light of these two objections, Williams respectfully requests that the Commission grant an exception location for the downhole location of the GM-42-1 well based upon the understanding that production from the well would be allocated consistent with the formula proposed to the two objectors.

8. That the granting of the requested exception location will allow proper development of the Williams Fork Formation to occur; 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.

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

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

Dated this \_\_\_\_\_ day of December, 2005.

**POULSON, ODELL & PETERSON, LLC**

By: \_\_\_\_\_  
William A. Keefe  
1775 Sherman Street, Suite 1400  
Denver, Colorado 80203  
(303) 861-4400

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

Joseph P. Barrett, of lawful age, being first duly sworn upon oath, deposes and says that he is the Director of Land 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.

Joseph P. Barrett

Subscribed and sworn to before me this \_\_\_\_\_ day of December, 2005.

Witness my hand and official seal.

My commission expires:\_\_\_\_\_

Notary Public

**EXHIBIT E**

Fire Trucks Northwest, Inc.  
ATTN: Joseph F. Feeley, Jr.  
0808 County Road 215  
Parachute, CO 81635

Mark Bean  
Garfield County  
144 East 3<sup>rd</sup>  
Rifle, CO 81650

Sidney Lindauer, Trustee  
The Sidney Lindauer and Ruth Lindauer Trust  
P.O. Box 626  
Parachute, CO 81635

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