

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 VACATING CERTAIN DESCRIBED
LANDS FROM A 640 ACRE DRILLING AND
SPACING UNIT PREVIOUSLY ESTABLISHED
FOR THE MESAVERDE GROUP IN THE RULISON
FIELD AREA, GARFIELD COUNTY, COLORADO

CAUSE NO.

ORDER NO.

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 vacating certain described lands from that certain 640 acre drilling and spacing unit previously ordered by the Commission applicable to the Mesaverde Group covering Section 5 in Township 7 South, Range 94 West 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 (or has a right to acquire same) in a substantial portion of the following described lands:

Township 7 South, Range 94 West, 6th P. M.
Section 5: All

3. That said Section 5, under the Commission's Order 139-1, was established by the Commission as a 640-acre drilling and spacing units for the Mesaverde formation.

4. That the Application Lands were approved for two (2) wells to be optionally drilled into and produced from the Williams Fork Formation within such 640-acre drilling and spacing unit under the Commission's Order 139-11.

5. That the Application Lands were approved for eight (8) wells to be optionally drilled into and produced from the Williams Fork Formation with such 640-acre drilling and spacing unit under the Commission's Order 139-26.

6. That the Application Lands were approved for sixteen (16) wells to be optionally drilled into and produced from the Williams Fork Formation within such 640-acre drilling and spacing unit under the Commission's Order 139-28.

7. That due to recent changes in the leasehold ownership of lands within said Section 5, the SW/4 and S/2SE/4 of said Section 5 are now unleased with the result that the parties owning the mineral estate of such lands do not wish these lands to continue to be included in the subject 640 acre drilling and spacing unit.

8. That Williams is amenable to excluding such lands from the 640 acre drilling unit with the result that the spacing unit would be reduced in size to cover only the N/2 and N/2SE/4 of Section 5.

9. That the above-proposed vacation of the SW/4 and S/2SE/4 from the drilling and spacing unit will allow development of the Mesaverde Group 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.

10. That new setback requirements should be established within said Section 5 for the Williams Fork Formation such that no well will have a bottomhole location within the Williams Fork Formation any closer than 100 feet from the boundary line separating the SW/4 and S/2SE/4 from the remainder of Section 5. Such setback requirements shall apply to wells drilled within the drilling and spacing unit and also to wells drilled within the lands vacated from the drilling and spacing unit.

11. 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 June, 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 this _____ day of March, 2006.

By: _____
William A. Keefe
POULSON, ODELL & PETERSON, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
(303) 8610-4400

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

Joe 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.

Joe P. Barrett

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

Witness my hand and official seal.

My commission expires: _____

Notary Public

EXHIBIT A
INTERESTED PARTIES

Garfield County
ATTN: Mark Bean
144 East 3rd Street
Rifle, CO 81650

Savage Resources, LLC
c/o Daniel Savage
4610 West Cornell Place
Lakewood, CO 80228

Apollo Energy, LLC
1557 Ogden Street, Suite 300
Denver, CO 80218-1405

Diana L. & Jonathan H. Wellendorf
8624 County Road 301
Parachute, CO 81635

William A. Keefe
POULSON, ODELL & PETERSON, LLC
1775 Sherman Street, Suite 1400
Denver, CO 80203

Joseph Barrett
Williams Production RMT Company
Tower 3, Suite 1000
1515 Arapahoe Street
Denver, CO 80202

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