

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 A 320 ACRE DRILLING  
AND SPACING UNIT PREVIOUSLY  
ESTABLISHED FOR THE MESAVERDE GROUP IN  
THE PARACHUTE FIELD AREA, GARFIELD  
COUNTY, COLORADO AND TO ESTABLISH FOR  
PART OF SUCH LANDS TWO 80 ACRE DRILLING  
AND SPACING UNITS FOR THE WILLIAMS  
FORK FORMATION OF THE MESAVERDE  
GROUP AND TO ALLOW TEN ACRE DENSITY  
DRILLING WITHIN SUCH 80 ACRE DRILLING  
AND SPACING UNITS

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 that certain 320 acre drilling and spacing unit previously ordered by the Commission applicable to the Mesaverde Group covering N/2 of Section 25 in Township 6 South, Range 95 West, 6<sup>th</sup> P.M., Garfield County; to establish two 80 acre drilling and spacing units for the Williams Fork Formation of the Mesaverde Group consisting of the E/2NE/4 of said Section 25 as one of such units and the SE/4NW/4 and SW/4NE/4 of said Section 25 as the other of such units and that ten (10) acre density drilling for the Williams Fork Formation of the Mesaverde Group be granted for the two such 80 acre drilling and spacing units. 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 a substantial portion of the following described lands:

**Township 6 South, Range 95 West, 6th P. M.**  
Section 25: E/2 NE/4, SE/4NW/4 and SW/4NE/4

(hereinafter "Application Lands")

3. That the N/2 of Section 25, Township 6 South, Range 95 West, under the Commission's Order 440-12 (Corrected 11/90), was established by the Commission as a potential 320-acre drilling and spacing unit for the Mesaverde formation. That the Application Lands (and other lands) were approved for ten (10) acre density drilling (within the described 320 acre drilling and spacing unit) within the Williams Fork Formation pursuant to the Commission's Orders Nos. 139-64 and 440-35.

4. That no Mesaverde wells have been drilled upon the said N/2 of Section 25.

5. That it is necessary, in order timely to develop the Application Lands within the Williams Fork Formation of the Mesaverde Group, to vacate the 320 acre drilling unit and to establish the E/2NE/4 and the combination of the SE/4NW/4 and SW/4NE/4 of Section 25 as eighty (80) acre drilling and spacing units for the Williams Fork Formation, these lands being fee lands in which Applicant owns a leasehold interest. The remainder of the 320 acre drilling and spacing unit to be vacated consists of federal minerals which it is not expected will be leased in the near future, if ever, and which are potentially inaccessible for the drilling of Williams Fork wells.

6. That within each of these two said eighty (80) acre drilling and spacing units to be established, the Commission grant the right to drill Williams Fork wells on a ten (10) acre density basis such that within each of these units Williams Fork wells drilled thereon may be located downhole anywhere within such unit but no closer than 100 feet from the outside boundary of the drilling and spacing unit unless such unit boundary 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 which so abuts or corners the lands in respect of which ten (10) acre density downhole drilling for the Williams Fork Formation wells has not been ordered by the Commission.

7. That wells to be drilled on the requested two eighty (80) acre drilling units 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.

8. That 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.

9. 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 November, 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 September, 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 )

Christopher M. Walsh, of lawful age, being first duly sworn upon oath, deposes and says that he is the 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 September, 2006.

Witness my hand and official seal.

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

Notary Public

**EXHIBIT A**  
**INTERESTED PARTIES**

Garfield County  
ATTN: Local Governmental Designee  
144 East 3rd Street  
Rifle, CO 81650

Union Pacific Railroad Company  
c/o Farmer's National Company  
Attention: Mr. Terry Young  
403 S. Cheyenne, Suite 800  
Tulsa, OK 74103-3842

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

Mr. Christopher M. Walsh  
Williams Production RMT Company  
1515 Arapahoe Street  
Tower 3, Suite 1000  
Denver, CO 80202

Board of County Commissioners of Garfield  
County, State of Colorado  
108 8th Street  
Glenwood Springs, CO 81601

Mr. William A. Keefe  
Poulson, Odell & Peterson, LLC  
1775 Sherman Street, Suite 1400  
Denver, CO 80203

Garfield County Building & Planning  
Attention: Mr. Mark Bean, Garfield County  
Planner  
108 8th Street, Suite 201  
Glenwood Springs, CO 81601-3355

Yates Petroleum Corporation; Yates Drilling  
Company; ABO Petroleum Corporation;  
MYCO Industries, Inc.  
105 S. Fourth Street  
Artesia, NM 88210

Bureau of Land Management  
Glenwood Springs Energy Office  
Attention: Mr. Steve Bennett  
2425 S. Grand Ave., Ste. 101  
Glenwood Springs, CO 81635

Bureau of Land Management  
Attention: Mr. Duane Spencer  
2850 Youngfield Street  
Lakewood, CO 80215

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