

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 Rulison Field area, 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 94 West, 6th P.M.

Section 22: E/2SE/4

Section 23: SE/4, W/2SW/4, SE/4SW/4

Section 24: N/2

Section 25: All

Section 26: All

Section 27: E/2SW/4, SE/4, S/2NE/4, NE/4NE/4

Section 34: E/2, E/2W/2

Section 35: All

Section 36: All

Containing approximately 4,080 acres

3. 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:

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

Section 22: E/2SE/4

Section 23: SE/4, W/2SW/4, SE/4SW/4
Section 24: N/2
Section 27: E/2SW/4, SE/4, S/2NE/4, NE/4NE/4

4. That the following described Application Lands constitute all or portions of 640-acre drilling and spacing units established for the Mesaverde Formation under the Commission's Order No. 139-16 Corrected 11/90:

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

Section 25: All
Section 26: All
Section 34: E/2, E/2W/2
Section 35: All
Section 36: All

5. That the above described 640-acre and 320-acre drilling and spacing units, or portions thereof, constituting the Application Lands have been authorized for the drilling of additional wells within the Williams Fork Formation of the Mesaverde Group under the various orders of the Commission as set forth in Annex A attached to this Application.

6. 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.

7. 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 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 10 acre density downhole drilling for Williams Fork wells has not been ordered by the Commission.

8. 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.

9. 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.

10. 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 October, 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: August ____, 2006.

POULSON, ODELL AND PETERSON, LLC

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

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

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

Annette Apperson

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

Witness my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT A

United States Dept. of the Interior
Bureau of Land Management
Attn: Steve Bennett
50629 Highway 6 and 24
Glenwood Springs, CO 81601

Petrogulf Corporation
518 17th Street, Suite 1455
Denver, CO 80202

United States Dept. of the Interior
Bureau of Land Management
Attn: Bob Hartman
2815 "H" Road
Grand Junction, CO 81506

Quantum Resources
Attn: Russell DesCognets
1775 Sherman Street, Suite 1525
Denver, CO 80203

Board of County Commissioners
Garfield County, Colorado
Attn: John Martin, Chair
108 8th Street, Suite 213
Glenwood Springs, CO 81601

Celeste C. Grynberg
c/o Grynberg Petroleum Company
5299 DTC Boulevard
Prentice Point Building, Suite 500
Greenwood Village, CO 80111

ExxonMobil Global Services Company
Attn: Ronald M. Smith, Operations Mgr.
16825 Northchase Dr., Suite 200
Houston, TX 77060

Apollo Energy, LLC
1557 Ogden St., Ste. 300
Denver, CO 80218

ExxonMobil Corporation
Attn: Paul L. Keffer, Land Rep.
515 West Greens Road
CORP-OCG-644
Houston, TX 77067

Piceance Royalty Partnership, LLC
P.O.Box 36157
Denver, CO 80236-0157

Colorado Department of Transportation:
Attn: Mike Verketis
222 South 6th Street, Room 100
Grand Junction, CO 81501

Dorothy Jean Prutch
Heir or Devisee of John F. Hunt
3555 W. Boardwalk Circle
Highlands Ranch, CO 80129

Yates Petroleum Corporation
Yates Drilling Company
ABO Petroleum Corporation
MYCO Industries, Inc.
Attn: Kathy Porter
105 S. Fourth St.
Artesia, NM 88210

J. Andrew Dunn
3800 S. Spruce St.
Denver, CO 80237

Niki D. LeClair
P.O. Box 874
McCall, ID 83638

Attn: Greg Ryan
EnCana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202

Estate of Everett C. Robinson
c/o Debbie L. Miller
3218 Shipeta Court, Apt. #4
Clifton, CO 81520

Estate of Ricky Lee Robinson
c/o Suzanne Robinson
501 Harvest Moon Road
Fountain, CO 80817

Joe A. Simms
2911 Hermosa Court
Grand Junction, CO 81504

Timothy Pinson
Garfield County
Henry Building
144 E. 3rd Street
Rifle, CO 81650

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

Attn: Cecil D. Gritz
Dolphin Energy Corp.
1331 17th Street, Suite 730
Denver, CO 80202

Benson Mineral Group Inc.
1560 Broadway, Suite 1900
Denver, CO 80202

Attn: Mr. Hislop
Exxel Energy Corp.
609 W. Hastings St., 11th Floor
Vancouver, BC V6B 4W4

Estate of Ervin B. Robinson
c/o Marion Alfred Robinson
4323 County Road 45
DeBeque, CO 81630

Estate of Ervin B. Robinson
c/o Dorothy Lois George
241VC County Road 1601
Grand Saline, TX 75140

Annette Apperson
Williams Production RMT Company
Tower 3, Suite 1000
1515 Arapahoe Street
Denver, Colorado 80202

2006 Phase Three Ten Acre Density Application COGCC Orders

T6S, R94W

Section 22: E/2SE/4

Order 139-16 states for the Mesaverde Formation one (1) well may be drilled per 320 acre drilling and spacing unit. Mesaverde wells shall be located in the NE/4 or the SW/4 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.

Order 139-27 states for 320 acre drilling and spacing units, four (4) wells shall be allowed 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 Formation well or wells.

Order 139-28 states for 320 acre drilling and spacing units, eight (8) wells shall be allowed 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 Formation well or wells.

Order 139-34 states additional wells are allowed to be drilled for the production of gas and associated hydrocarbons from the Williams Fork Formation of the Mesaverde Group, the equivalent of one (1) well per 20 acres. The permitted well shall be located no closer than 200 feet from the boundaries of a drilling unit and no closer than 400 feet from any existing Williams Fork Formation well or wells. In cases where the application lands constitute only a portion of an existing drilling and spacing unit, - see Order.

T6S, R94W

Section 23: SE/4, W/2SW/4, SE/4SW/4

Section 24: N/2

Order 139-16 states for the Mesaverde Formation one (1) well may be drilled per 320 acre drilling and spacing unit. Mesaverde wells shall be located in the NE/4 or the SW/4 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.

Order 139-27 states for 320 acre drilling and spacing units, four (4) wells shall be allowed 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 Formation well or wells.

Order 139-28 states for 320 acre drilling and spacing units, eight (8) wells shall be allowed 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 Formation well or wells.

T6S, R94W**Section 25: All****Section 26: All**

Order 139-16 states for the Mesaverde Formation two (2) wells may be drilled per 640 acre drilling and spacing unit. Mesaverde wells shall be located 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.

Order 139-27 states for 640 acre drilling and spacing units, eight (8) wells shall be allowed 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 Formation well or wells.

Order 139-28 states for 640 acre drilling and spacing units, sixteen (16) wells shall be allowed 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 Formation well or wells.

T6S, R94W**Section 27: E/2SW/4, SE/4, S/2NE/4, NE/4NE/4**

Order 139-16 states for the Mesaverde Formation one (1) well may be drilled per 320 acre drilling and spacing unit. Mesaverde wells shall be located in the NE/4 or the SW/4 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.

Order 139-27 states for 320 acre drilling and spacing units, four (4) wells shall be allowed 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 Formation well or wells.

Order 139-28 states for 320 acre drilling and spacing units, eight (8) wells shall be allowed 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 Formation well or wells.

Order 139-34 (which applies only to Section 27: NE/4SW/4, N/2SE/4, SW/4SE/4) states additional wells are allowed to be drilled for the production of gas and associated hydrocarbons from the Williams Fork Formation of the Mesaverde Group, the equivalent of one (1) well per 20 acres. The permitted well shall be located no closer than 200 feet from the boundaries of a drilling unit and no closer than 400 feet from any existing Williams Fork Formation well or wells. In cases where the application lands constitute only a portion of an existing drilling and spacing unit, each Williams Fork Formation well upon such application lands shall be located no closer than 200 feet from the boundaries of the drilling unit, no closer than 200 feet from the boundary of the application lands and no closer than 400 feet from any existing Williams Fork Formation well.

T6S, R94W

Section 34: E/2, E/2W/2

Section 35: All

Section 36: All

Order 139-16 states for the Mesaverde Formation two (2) wells may be drilled per 640 acre drilling and spacing unit. Mesaverde wells shall be located 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.

Order 139-27 states for 640 acre drilling and spacing units, eight (8) wells shall be allowed 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 Formation well or wells.

Order 139-28 states for 640 acre drilling and spacing units, sixteen (16) wells shall be allowed 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 Formation well or wells.

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AFFIDAVIT OF MAILING

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

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 August _____, 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 August _____, 2006.

Witness my hand and official seal.

My commission expires: July 22, 2007.

Notary Public