

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 Parachute 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 7 South, Range 95 West, 6<sup>th</sup> P.M.

Section 5: S/2

3. That the Application Lands constitute a 320 acre drilling and spacing unit established for the Mesaverde Formation under the Commission's Order No. 440-12 (Corrected 11/90).
4. That multiple wells have been drilled upon 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 upon the Application Lands.
5. 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.

6. 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. Notwithstanding the above, Applicant notes that it presently plans to drill all 10 acre density Williams Fork wells to be located downhole upon the Application Lands from two existing pads, one located on the Application Lands and one located off the Applications Lands with the possibility that a third pad may be needed (see attached plat).

7. 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.

8. 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 September, 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: July \_\_\_\_\_, 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 )

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 July, 2006.

Witness my hand and official seal.

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

Notary Public

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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 July \_\_\_\_\_, 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 July \_\_\_\_\_, 2005.

Witness my hand and official seal.

My commission expires: July 22, 2007.

\_\_\_\_\_  
Notary Public