

BEFORE THE OIL & GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF )  
ENCANA OIL & GAS (USA) INC. FOR AN ) Cause No. 139 and 440  
ORDER POOLING ALL NONCONSENTING )  
INTERESTS IN THE WILLIAMS FORK AND ) Docket No.  
ILES FORMATIONS IN AN ESTABLISHED )  
DRILLING AND SPACING UNIT LOCATED IN )  
THE PARACHUTE FIELD, GARFIELD )  
COUNTY, COLORADO )

APPLICATION

COMES NOW EnCana Oil & Gas (USA) Inc. (referred to herein as “Applicant”), by and through its undersigned counsel, and makes application to the Oil and Gas Conservation Commission of the State of Colorado (“COGCC”), for an order to pool all non-consenting interests for the drilling of wells in an approximate 320-acre drilling and spacing unit in the Williams Fork and Iles Formations in the lands more particularly described in Paragraph 3 below located in Township 7 South, Range 95 West, 6<sup>th</sup> P.M., Garfield County, Colorado. In support thereof, the Applicant states and alleges as follows:

1. That the Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. That the Applicant owns leasehold interests in the unit requested for pooling.

Township 7 South, Range 95 West, 6<sup>th</sup> P.M.  
Section 19: S/2

Garfield County, Colorado

3. Pursuant to Order 440-45, the drilling and spacing unit described in paragraph 3 may have the equivalent of one well per 20 acres for production from the Williams Fork and Iles Formations, and the setback requirements shall be 200 feet from the boundaries of the drilling and spacing unit and 400 feet from any existing Williams Fork or Iles Formation well.
4. Applicant has proposed 1 well to the Williams Fork and Iles Formations within the drilling and spacing unit described in paragraph 3 above as follows:

Federal 19-12

5. That some of the parties listed on Exhibit A hereto own separate leased mineral interests in the referenced drilling and spacing unit located in Section 19 encompassed within the drilling and spacing unit, and such parties have been offered the option to participate in the drilling of the well in the unit, but to date one or more of such parties have refused to participate by bearing their proportionate shares of the costs and risks of drilling or operating the well. An AFE for the well containing the information required by COGCC Rule 530.a. was sent respecting the well more than thirty (30) days prior to the date of the hearing on this Application. A copy of an example of such AFE and letter is attached hereto as Exhibit B.
6. Moreover, that with respect to any non-consenting owners of unleased mineral interests listed on Exhibit A, Applicant has made reasonable attempts pursuant to COGCC Rule 530.b. to enter into leases with such parties but has as of yet been unsuccessful in such attempts.
7. That in order to prevent waste, protect correlative rights and in the best interests of conservation, all interests owned by the nonconsenting parties listed on Exhibit A should be pooled in the Williams Fork and Iles Formations in accordance with C.R.S. § 34-60-116 and Rule 530 of the COGCC.
8. That the names and addresses of the interested parties with respect to this Application are as set forth in Exhibit A hereto.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice thereof be given as required by law and that upon such hearing this Commission enter its order:

A. That all leasehold interest owners with whom Applicant has been unable to secure an agreement for the drilling of the proposed wells and all unleased mineral interests owners who refuse to execute a lease as described in paragraphs 4 and 5 be pooled involuntarily with respect to the Williams Fork and Iles Formations, and that such owners be treated as non-consenting owners under C.R.S. § 34-60-116 and made subject to the terms and penalties provided for therein.

B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this 6<sup>th</sup> day of July, 2007.

Respectfully submitted,

ENCANA OIL & GAS (USA) INC.

By:

\_\_\_\_\_  
Susan L. Aldridge  
Michael J. Wozniak  
BEATTY & WOZNIAK, P.C.  
216 16<sup>th</sup> Street, Suite 1100  
Denver, CO 80202  
(303) 407-4499

Applicants' Address:

370 17<sup>th</sup> Street, Suite 1700  
Denver, CO 80202

## VERIFICATION

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

Cynthia Crewson, Land Negotiator of EnCana Oil & Gas (USA) Inc., upon oath deposes and says that she has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

ENCANA OIL &amp; GAS (USA) INC.

By: \_\_\_\_\_  
Cynthia Crewson, Land Negotiator

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2007, by Cynthia Crewson, Land Negotiator of EnCana Oil & Gas (USA) Inc.

Witness my hand and official seal. My commission expires:\_\_\_\_\_

Notary Public

**EXHIBIT A**

Interested Parties

NONE

Non-Consenting and Unleased

Chevron U.S.A Inc.  
Mid-Continent Business Unit  
11111 S. Wilcrest  
Houston, TX 77099

Merrion Oil & Gas  
610 Reilly Ave.  
Farmington, NM 87401-2634

Conoco Phillips Company  
1801 Broadway, Suite 800  
Denver, CO 80202