

**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 THAT CERTAIN 320 ACRE DRILLING AND SPACING UNIT DESCRIBED AS S/2 OF SECTION 25, TOWNSHIP 6 SOUTH, RANGE 95 WEST, GARFIELD COUNTY, COLORADO PREVIOUSLY ESTABLISHED FOR THE MESAVERDE FORMATION AND FOR ESTABLISHING AN APPROXIMATE 160 ACRE DRILLING AND SPACING UNIT DESCRIBED AS SE/4, AN 80 ACRE DRILLING AND SPACING UNIT DESCRIBED AS S/2SW/4 AN A 40 ACRE DRILLING AND SPACING UNIT DESCRIBED AS NE/4SW/4, FOR THE WILLIAMS FORK FORMATION OF THE MESAVERDE GROUP ALL IN, SECTION 25, TOWNSHIP 6 SOUTH, RANGE 95 WEST, 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 that certain 320 acre drilling and spacing unit established for the Mesaverde Formation covering the S/2 of Section 25, Township 6 South, Range 95 West in Garfield County, Colorado established under the Commission's Order No. 440-12 (Corrected 11/90) and for an order establishing an approximate one hundred sixty (160) acre drilling and spacing unit for the SE/4 of said Section 25, and an eighty (80) acre drilling and spacing unit for the S/2SW/4 of said Section 25 and a forty (40) acre drilling and spacing unit for the NE/4SW/4 of said Section 25, for the Williams Fork Formation of the Mesaverde Group. Applicant also wants to be allowed to drill ten acre density Williams Fork wells upon said SE/4, S/2SW/4 and NE/4SW/4 of said Section 25 as already permitted under the Commission's Order Nos. 139-64 and 440-35. In support of its application Applicant 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 the leasehold interest covering the SE/4, S/2SW/4 and NE/4SW/4 of Section 25 in Township 6 South, Range 95 West but owns no leasehold interest in the NW/4SW/4 of Section 25 which is unleased federal minerals. Such unleased federal minerals are not expected to be leased in the near future and, when leased, it is expected will be subject to no surface occupancy stipulations.
3. That the S/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 less the NW/4SW/4) within the Williams Fork Formation pursuant to the Commission's Order Nos. 139-64 and 440-35.

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

5. That it is necessary, in order to timely develop the Application Lands within the Williams Fork Formation of the Mesaverde Group, to vacate the 320 acre drilling unit and to establish the SE/4, the S/2SW/4 and the NE/4SW/4 of Section 25, as one hundred sixty (160) acre, eighty (80) acre and forty (40) 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 the 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 not 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 three (3) requested 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 recover 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 December, 2007, 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: October \_\_\_\_\_, 2007.

By: \_\_\_\_\_

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## EXHIBIT A

Williams Production RMT Co.  
1515 Arapahoe St.  
Tower 3, Suite 1000  
Denver, CO 80202

Yates Petroleum Corporation  
Yates Drilling Company  
ABO Petroleum Corporation  
Myco Industries Inc.  
207 S Fourth St  
Artesia NM 88210

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

Bureau of Land Management  
Attention: Mr. Steve Bennett  
Glenwood Springs Energy Office  
2425 S Grand Ave., Suite 101  
Glenwood Springs, CO 81601

Bureau of Land Management  
Attention: Mr. Duane Spencer  
Colorado State Office  
2850 Youngfield St.  
Lakewood, CO 80215

Bureau of Land Management  
Attention: Mr. Hank Szymanski  
Colorado State Office  
2850 Youngfield St.  
Lakewood, CO 80215

Garfield County  
Attention: Local Governmental Designee  
144 East 3<sup>rd</sup> Street  
Rifle, CO 81650

Board of County Commissioners  
108 8<sup>th</sup> Street  
Glenwood Springs, CO 81601

Ivy Energy, Inc.  
c/o Associated Resources  
Attention: Mr. Terry Vancil  
403 S. Cheyenne, Suite 800  
Tulsa, OK 74103-3842



