

**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 an 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 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 oil and gas leasehold interests covering all or a portion of the following described lands (hereinafter "Application Lands"):

Township 6 South, Range 95 West, 6th P.M.

- Section 7: Portions of the S/2, E/2E/2 as the same is embraced and bounded by the Sheridan Placer Nos. 1-4 placer mining claims.
- Section 8: All as the same is embraced and bounded by the Sheridan Placer Nos. 4-8 placer mining claims and Lots 1-4.
- Section 9: All as the same is embraced and bounded by the Sheridan Placer Nos. 8-12 placer mining claims and Lots 1-4.
- Section 10: Those portions of the W/2, W/2NE/4, SE/4 as the same is embraced and bounded by the Sheridan Placer Nos. 12-16 placer mining claims.
- Section 15: Those portions of the W/2NW/4 and W/2E/2NW/4 as the same is embraced and bounded by the Sheridan Placer Nos. 12 and 13 and La Paz No. 5 placer mining claims.
- Section 16: Lots 4, 5, S/2SW/4, and those portions of the N/2, N/2S/2 as the same is embraced and bounded by the Sheridan Placer Nos. 8-12 and La Paz Nos. 5, 7, and 8 placer mining claims.
- Section 17: Section 17: Lot 3, SE/4SE/4, and those portions of the N/2, SW/4 and SE/4 as the same is embraced and bounded by the Sheridan Placer Nos. 4-8 and La Paz Nos. 1, and 8-11 placer mining claims.

- Section 18: Section 18: All as the same is embraced and bounded by the Sheridan Placer Nos. 1-4, 21 and La Paz Nos. 1, 11, and 13 placer mining claims.
- Section 19: Section 19: All less Lots 1-7, as the same is embraced and bounded by the Sheridan Placer No. 21 and La Paz Nos. 10-13, and 14 placer mining claims.

Township 6 South, Range 96 West, 6th P.M.

Section 13: N/2S/2, S/2

Section 24: NE/4

Note: All references to the individual Sheridan placer mining claims mentioned above are as described and platted in Survey No. 19942. All references to the individual La Paz placer mining claims mentioned above are as described and platted in Survey No. 19837

3. That the Application Lands are unspaced as to the Mesaverde Group and subject to the Commission's Rule 318 (formerly Rule 316).

4. That multiple wells have been drilled, tested and completed in the Williams Fork Formation of the Mesaverde Group upon lands in proximity to the Application Lands.

5. That as to the Application Lands, the Commission should allow Williams Fork wells to be optionally drilled upon a ten (10) acre density basis with each such well to be located downhole anywhere upon such lands provided no such well shall be located downhole any closer than 100 feet from the outside boundary of the Application Lands unless such 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 Williams Fork wells in which event the Williams Fork wells to be drilled upon the Application Lands shall be drilled downhole no closer than 200 feet from that portion of the 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 the equivalent of no more than one pad located on a given quarter quarter section unless exception is granted by the Colorado Oil and Gas Conservation Commission pursuant to application made for such exception.

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 January, 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: November _____, 2006.

POULSON, ODELL & PETERSON, LLC

By: _____

William A. Keefe
1775 Sherman Street, Suite 1400
Denver, CO 80203
Phone: (303) 861-4400

VERIFICATION

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

Jim Schaff of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the Senior Staff Landman for Williams Production RMT Company, Applicant, herein; that he has read the above and foregoing Application by him subscribed, knows the contents thereof, and that the allegations and matters therein stated are true and correct as he verily believes.

By: _____
Jim Schaff

Subscribed and sworn to before me November-, 2006.

Witness my hand and official seal.

My commission expires: _____.

By: _____
Notary Public

EXHIBIT A

Williams Production RMT Company
Jim Schaff Senior Staff Landman
1515 Arapahoe Street Tower3 Suite 1000
Denver CO 80202

ExxonMobil Production Company
Glen R. Murdock Land Associate
CORP-WGR-642
396 West Greens Road Room 642
Houston TX 77067-4530

Yates Drilling Company
105 S. 4th Street
Artesia NM 88210

Myco Industries Inc
P O Box 840
Artesia NM 88211

Yates Petroleum Corporation
105 S. 4th Street
Artesia NM 88210

ABO Petroleum Corporation
105 S. 4th Street
Artesia NM 88210

Bureau of Land Management
Attn Marty O'Mara Regulatory Specialist
50629 Highways 6 & 24
Glenwood Springs CO 81601

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

Jesse Smith
Garfield County
144 E. 3rd Street
Rifle, CO 81650

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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 November 20, 2006, he caused a copy of the attached Application 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 November _____, 2006.

Witness my hand and official seal.

My commission expires: July 22, 2007.

Notary Public