

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

IN THE MATTER OF THE APPLICATION )  
OF QUANTUM RESOURCES )  
MANAGEMENT, LLC FOR AN ORDER )  
ESTABLISHING SPACING RULES FOR )  
THE WASATCH FORMATION FOR )  
CERTAIN LANDS IN THE RULISON FIELD, )  
GARFIELD COUNTY, COLORADO )

CAUSE NO. 139

DOCKET No. \_\_\_\_\_

**VERIFIED APPLICATION**

Quantum Resources Management, LLC ("Applicant") by its attorneys, Bjork Lindley Little PC, respectfully submits this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to amend Cause No. 139 and Order No. 139-11 so as to increase the number of wells which may be optionally drilled into and produced from the Wasatch Formation in Section 26, Township 6 South, Range 94 West, 6<sup>th</sup> P.M. ("Application Lands") to eight (8) Wasatch wells that are at least 600 feet from the boundaries of the established 640-acre drilling and spacing unit and no closer than 1200 feet from any well producing from the same formation unless exception is granted by the Commission.

In support of this Application, Applicant states as follows:

1. Applicant is a limited liability company authorized to conduct business in the State of Colorado. It owns legal, equitable, and leasehold interests in the Application Lands.
2. On February 12, 1988, the Commission issued Order No. 139-11. This Order established rules governing the number of wells that may be drilled in the Application Lands for the production of gas from the Wasatch Formation.
3. Rule 1 in Order No. 139-11 provides that an operator may drill a total of four (4) wells on the Application Lands "for production of gas and associated hydrocarbons from the Wasatch Formation underlying the [Application Lands and other lands] . . . with said additional wells to be at a location at least 600 feet from the boundaries of the units and no closer than 1200 feet from any well producing the same formation."
4. At present, four (4) wells have been drilled on the Application Lands for the production of gas and associated hydrocarbons from the Wasatch Formation. Applicant requests the Commission issue a new order permitting it to drill up to an additional four (4) wells on the Application Lands for the purpose of producing gas and associated hydrocarbons from the Wasatch Formation.
5. Applicant believes the drilling of an additional four (4) wells producing from the Wasatch Formation (a) will allow more efficient drainage of the Wasatch Formation, (b) will help prevent waste, (c) will not violate correlative rights, and (d) will assure the greatest ultimate recovery of gas and associated substances from the reservoir.

6. Applicant has studied the geology of the Application Lands and other data relating to them including, but not limited to, rate and production data from nearby wells. This data is consistent with and supports the relief requested. The drilling of the proposed four (4) additional Wasatch wells in this one section will also help the Applicant further assess the production profile of the Wasatch Formation and plan future operations.

7. As proposed, the four (4) additional Wasatch wells on the Application Lands will not result in the construction of more than one well site or multi-well site per forty (40) acre nominal governmental quarter-quarter section. Applicant will request an exception determination by the Director of the Commission if, for topographical or other reasons, more than one well site must be constructed in a particular 40-acre nominal governmental quarter-quarter section.

8. Joan Savage is the surface owner of all surface locations upon which Applicant proposes to drill the additional four (4) wells on the Application Lands. Applicant met with Ms. Savage to discuss the relief requested in this Application. Ms. Savage commented on proposed surface locations, voiced support for the increased density proposed in the Application and indicated she did not intend to protest the Application.

9. Applicant also has contacted Garfield County and made arrangements to discuss the relief requested in this Application with county officials.

10. An executed Verification of Application, Certificate of Mailing, List of Interested Parties, Reference Map and draft Hearing Notice will be filed on or before April 27, 2007.

11. To promote efficient drainage and production from the Wasatch Formation, and pursuant to C.R.S. § 34-60-116(4) and COGCC 503, Applicant requests that the Commission issue an order to increase the number of wells which may be optionally drilled into and produced from the Wasatch Formation in the Application Lands be increased to allow the drilling of eight (8) Wasatch wells that are at least 600 feet from the boundaries of the 640-acre drilling and spacing unit and no closer than 1200 feet from any well producing from the same formation unless exception is granted by the Commission.

12. Applicant respectfully requests this matter be set for hearing in June, 2007, that notice be given as required by law, and that upon such hearing the Commission enter its order consistent with Applicant's proposals as set forth above.

Respectfully submitted on \_\_\_\_\_, 2007

BJORK LINDLEY LITTLE PC

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

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Applicant's Contact Information:

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Telephone: (303) 861-1170

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

## VERIFICATION

The undersigned, Ken Appis, being first duly sworn upon oath, states:

1. I am the Land Manager for Quantum Resources Management, LLC and am personally familiar with the matters set forth in the foregoing Verified Application.
2. I have read the Verified Application and the facts contained therein are true and correct to the best of my knowledge, information and belief.

Ken Appis, Land Manager  
Quantum Resources Management, LLC

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by \_\_\_\_\_.

Witness my hand and official seal.

Notary Public

My commission expires:

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**EXHIBIT A**

**INTERESTED PARTIES**

Joan L. Savage  
5953 320 Road  
Rifle, Colorado 81650

Jesse Smith  
Garfield County LGD  
108 8<sup>th</sup> Street – Administration  
Glenwood Springs, Colorado 81601

Williams Production RMT Company  
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