

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. 440

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 South Rulison 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 93 West, 6th P.M.

Section 5: All

Section 6: All

Section 7: All

Section 8: E/2, N/2NW/4, S/2SW/4

Section 17: N/2, SW/4, W/2SE

Section 18: N/2N/2, SW/4NE/4

Township 7 South, Range 94 West, 6th P.M.

Section 12: All

3. That the following described Application Lands are unspaced and subject to the Commission's Rule 318:

Township 7 South, Range 93 West, 6th P.M.

Section 5: All

Section 6: All

Section 7: All

Section 8: E/2, N/2NW/4, S/2SW/4

Section 17: N/2, SW/4, W/2SE

Section 18: N/2N/2, SW/4NE/4

4. That the following described Application Lands constitute a 640-acre drilling and spacing unit established for the Mesaverde Formation under the Commission's Order No. 139-16 Corrected 11/90:

Township 7 South, Range 94 West, 6th P.M.  
Section 12: All

5. That the Application Lands described in Paragraph 4 above have been authorized for the drilling of sixteen (16) wells to be optionally drilled into and produced from the Williams Fork Formation, with the permitted well to be located no closer than 400 feet from the boundaries of the unit and no closer than 800 feet from any existing Williams Fork Formation well or wells under the Commission's Order No. 139-26.

6. That multiple wells have been drilled upon the Application Lands or 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.

7. That as to the Application Lands which are unspaced, 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 any lease line unless such lease line 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 lease line 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.

8. That as to the Application Lands which are spaced, 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 unit boundary 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 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 the 10 acre density downhole drilling for Williams Fork wells has not been ordered by the Commission.

9. 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.

10. 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.

11. 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 June, 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: April \_\_\_\_\_, 2007.

POULSON, ODELL AND PETERSON, LLC

By: \_\_\_\_\_  
William A. Keefe  
POULSON, ODELL & PETERSON, LLC  
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.

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Annette Apperson

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

Witness my hand and official seal.

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

Notary Public

EXHIBIT A

William A. Keefe  
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1775 Sherman Street, Suite 1400  
Denver, CO 80203

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