

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 E/2 OF SECTION 26,
TOWNSHIP 6 SOUTH, RANGE 95 WEST,
GARFIELD COUNTY, COLORADO
PREVIOUSLY ESTABLISHED FOR THE
MESAVERDE FORMATION AND FOR
ESTABLISHING AN APPROXIMATE 40 ACRE
DRILLING AND SPACING UNIT FOR THE
WILLIAMS FORK FORMATION OF THE
MESAVERDE GROUP DESCRIBED AS BEING
THE SE/4SE/4 OF SAID SECTION 26,
TOWNSHIP 6 SOUTH, RANGE 95 WEST,
GARFIELD COUNTY, COLORADO

Cause No. 139

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 E/2 of Section 26, 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 forty (40) acre drilling and spacing unit for the SE/4SE/4 of said Section 26 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/4SE/4 of said Section 26 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/4SE/4 of Section 26 in Township 6 South, Range 95 West but owns no leasehold interest in the remainder of the E/2 of Section 26 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. Currently, no Williams Fork wells have been drilled on the mineral estate underlying the E/2 of said Section 26.
3. Applicant has plans to drill 10 acre density Williams Fork wells in 2007 on the SE/4SE/4 of said Section 26. These wells are planned to be drilled directionally from a pad located in the NE/4NE/4 of Section 35, Township 6 South, Range 95 West.

4. That as to the described 320 acre drilling and spacing unit, Applicant desires that it be vacated for the reason that the federal lands are unleased and not expected to be leased in the near future.

5. That therefore Applicant requests that the said 320 acre drilling and spacing unit be vacated and that the SE/4SE/4 of said Section 26 be established as an approximate 40 acre drilling and spacing unit for the Williams Fork Formation. In addition, Applicant requests that ten (10) acre drilling density continue to be approved for this quarter quarter section.

6. That the above-proposed vacation of the described 320 acre drilling and spacing unit and the establishment of an approximate 40 acre drilling and spacing units consisting of the SE/4SE/4 of said Section 26 for the Williams Fork Formation of the Mesaverde Group will allow gas and associated hydrocarbon substances from the Williams Fork Formation to be developed.

7. That any Williams Fork well drilled upon the said SE/4SE/4 of Section 26 shall be located anywhere upon such lands under the same setback requirements as set forth in the Commission's Order Nos. 139-64 and 440-35 except that such setback requirements shall apply to the boundaries of the newly established 40 acre drilling and spacing units instead of the boundary of the 320 acre drilling and spacing unit being vacated.

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 in March, 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: February ____, 2007.

By: _____
William A. Keefe
POULSON, ODELL & PETERSON, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
(ph) (303) 861-4400
(fax) (303) 861-1225

VERIFICATION

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

Christopher M. Walsh, of lawful age, being first duly sworn upon oath, deposes and says that he is a Landman for Williams Production RMT Company and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

By: _____
Christopher M. Walsh

Subscribed and sworn to before me February _____, 2007.

Witness my hand and official seal.

My commission expires: _____

Notary Public

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

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

Williams Production RMT Co.
Attn: Christopher Walsh
1515 Arapahoe Street
Tower 3, Suite 1000
Denver, CO 80202

Bureau of Land Management
Glenwood Springs Energy Office
2425 S Grand Ave., Suite 101
Glenwood Springs, CO 81601

Bureau of Land Management
Colorado State Office
2850 Youngfield St.
Lakewood, CO 80215

Jesse Smith
Garfield County
Henry Building
144 E. 3rd St
Rifle, CO 81650

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AFFIDAVIT OF MAIL

William A. Keefe, of lawful age, being first duly sworn upon oath, states and declares:

That he is the attorney for Williams Production RMT Company, Applicant herein; that on February _____, 2007, he caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to each of the parties listed on Exhibit "A" to the Application.

By: _____
William A. Keefe

Subscribed and sworn to before me this _____ day of February, 2007.

Witness my hand and official seal.

My commission expires: July 22, 2007

Notary Public