

**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 SPACING AND WELL
LOCATION RULES FOR THE WILLIAMS FORK
FORMATION OF THE MESAVERDE GROUP FOR
CERTAIN DESCRIBED LANDS IN THE GRAND
VALLEY FIELD AREA, 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 application to the Oil and Gas Conservation Commission of the State of Colorado for an order establishing spacing rules and well location rules applicable to the drilling and producing of wells from the Williams Fork Formation of the Mesaverde Group covering certain described lands in the Grand Valley 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 a substantial portion of the following described lands:

Township 7 South, Range 96 West

Section 26: N/2S/2

(hereinafter "Application Lands")

3. That the Application Lands are unspaced for the Williams Fork Formation and subject to the Commission's Rule 318.

4. That Applicant believes it is appropriate that the Commission establish a one hundred sixty (160) acre laydown drilling and spacing unit covering these unspaced lands for the Williams Fork Formation of the Mesaverde Group.

5. That multiple wells have been drilled, tested and completed in the Williams Fork Formation of the Mesaverde Group upon lands in the immediate vicinity of the Application Lands.

6. That to promote efficient drainage within the Williams Fork Formation of the Mesaverde Group, the Commission should increase the number of wells which can be optionally drilled into and produced from the Williams Fork Formation of the Application Lands to the equivalent of one Williams Fork well per ten (10) acres.

7. That as to all future Williams Fork wells to be drilled upon each of the units constituting the Application Lands, the wells should be located downhole anywhere in the given drilling and spacing unit but no closer than 100 feet from the boundaries of the unit without exception being granted by the Director of the Oil and Gas Conservation Commission. It is provided however that in cases where a unit abuts or corners lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill 10 acre density Williams Fork Wells, the well should be located downhole no closer than 200 feet from the boundary or boundaries of the drilling unit so abutting or cornering such lands without exception being granted by the Director of the Oil and Gas Conservation Commission.

8. 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 (or lots or parcels approximately equivalent thereto) unless exception is granted by the Director of the Oil and Gas Conservation Commission pursuant to application made for such exception.

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 October, 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: August _____, 2007.

POULSON, ODELL AND PETERSON, LLC

By: _____
William A. Keefe
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 Senior 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.

Christopher M. Walsh

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

Witness my hand and official seal.

My commission expires:

Notary Public

EXHIBIT A

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

Colorado Department of Transportation
Attn: Anne Feeser
15285 South Golden Road
Building 47
Golden, CO 80401

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

JRMD
c/o Savage Resources LLC
910 16th Street
Suite 201
Denver, CO 80202

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

Specialty Restaurants Corporation
c/o Rocky Mountain Realtors
Attn: Toby Guccini
820 Castle Valley Blvd., Suite #108
New Castle, CO 81647-9453

Board of County Commissioners
Attn: John Martin
108 8th Street,
Glenwood Springs, Colorado 81601

Alice T. Bell
P.O. Box 471
Parachute, CO 81635

Donald R.Throm
1689 County Road 300
Parachute, CO 81635-9428

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

Larry and Karen Klebold
301 Himalya Ave.
Broomfield, CO 80020

Union Pacific Railroad Company
c/o Farmer's National Company
403 S. Cheyenne, Suite 800
Tulsa, OK 74103-3842

William A. Keefe
Poulson, Odell & Peterson LLC
1775 Sherman Street, Suite 1400
Denver, CO 80203

Union Pacific Railroad Company
Attn: Gregg A. Larsen, Sr. Mgr. - RE
1400 Douglas Street, Stop 1690
Omaha, NE 68179-1690

Judith J. Jordan Smith
Garfield County
Henry Building
144 E. 3rd St, Suite 203
Rifle, CO 81650

EnCana Oil and Gas (USA) Inc.
Attn: Cynthia Crewson
370 17th Street, Suite 1700
Denver, Colorado 80202

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

Noble Energy, Inc.
1625 Broadway, Suite 2000
Denver, Colorado 80202

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AFFIDAVIT OF MAILING

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

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 August _____, 2007, 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 August _____, 2007.

Witness my hand and official seal.

My commission expires:

Notary Public