

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 DENSITY
AND LOCATION RULES FOR THE ILES
FORMATION OF THE MESAVERDE GROUP
FOR CERTAIN DESCRIBED LANDS IN THE
TRAIL RIDGE FIELD AREA, GARFIELD
COUNTY, COLORADO

CAUSE NO. 510

DOCKET NO.

APPLICATION

COMES NOW Williams Production RMT Company ("Applicant"), a Delaware corporation, by its attorneys, Beatty & Wozniak, P.C., and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order establishing well density and location rules applicable to the drilling and producing of wells from the Iles Formation of the Mesaverde Group covering certain described lands in the Trail Ridge Field area in Garfield County 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 substantial portion of the lands described on Exhibit A (hereinafter "Application Lands").
3. That, as to the Iles Formation, the Application Lands are subject to the Commission's Rule 318 (a) which provides that wells to be drilled in excess of two thousand five hundred feet (2,500') in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred feet (1,200') from any other producible or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.
4. That Applicant and others have drilled, tested and completed various wells in the Iles Formation of the Mesaverde Group upon lands in the vicinity of the Application Lands.
5. That to promote efficient drainage within the Iles Formation of the Mesaverde Group of the Application Lands, the Commission should increase the number of wells which can be optionally drilled into and produced from the Iles Formation of the Application Lands to the equivalent of one Iles well per 10 acres.
6. That, as to the Williams Fork Formation of the Mesaverde Group, the Applications Lands have been approved for ten acre density drilling per the Commission's Order 510-17 entered December 16, 2005, as of December 6, 2005 and the Commission's Order 510-15 entered July 26, 2005, as of July 11, 2005.
7. That consistent with these orders for the Williams Fork Formation, Iles Formation wells should be located downhole anywhere upon the Application Lands but no closer than 100 feet from the boundaries of a lease line or the outside boundaries of the Application Lands

without exception being granted by the Director of the Oil and Gas Conservation Commission. It is provided however that in cases where the Application Lands abut or corner 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 Formation 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 all Iles Formation wells drilled upon the Application Lands will be drilled only in connection with the drilling of Williams Fork Formation wells and 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.

9. That the above-proposed spacing and well location rules will allow development of the Iles Formation to occur; 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.

10. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit B attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in August, 2008; 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 this _____ day of June, 2008.

BEATTY & WOZNIAK, P.C.

By: _____
William A. Keefe
216 Sixteenth Street, Suite 1100
Denver, Colorado 80202-5155

STATE OF COLORADO)
)
CITY AND COUNTY OF DENVER)

Maxwell Faith, of lawful age, being first duly sworn upon oath, deposes and says that he is the 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.

Maxwell Faith

Subscribed and sworn to before me this _____ day of June, 2008.

Witness my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT A

(All lands currently approved for 10-acre density and relaxed setbacks as to the Williams Fork by Order 510-17 unless otherwise noted)

Township 5 South, Range 97 West, 6th P.M.

Section 1: Lots 5(37.54), 6(37.82), 7(38.10), 8(38.38), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (aka ALL)
Containing 631.84 acres, more or less.

Section 2: Lots 5(38.67), 6(38.96), S $\frac{1}{2}$ NE, SE (aka E $\frac{1}{2}$)
Containing 317.63 acres, more or less.

Section 3: Lots 5(39.80), 6(39.99), 7(40.19), 8(40.38), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (aka ALL)
Containing 640.36 acres, more or less.

Section 4: Lots 5(40.49), 6(40.50), 7(40.52), 8(40.53), S $\frac{1}{2}$ N $\frac{1}{2}$ (aka N $\frac{1}{2}$)
Containing 322.04 acres, more or less.

Section 5: Lots 5(40.63), 6(40.80), 7(40.98), 8(41.15), S $\frac{1}{2}$ N $\frac{1}{2}$ (aka N $\frac{1}{2}$)
Containing 323.56 acres, more or less.

Section 10: ALL
Containing 640.00 acres, more or less.

Section 11: ALL
Containing 640.00 acres, more or less.

Section 12: ALL
Containing 640.00 acres, more or less.

Section 13: ALL
Containing 640.00 acres, more or less.

Section 14: ALL
Containing 640.00 acres, more or less.

Section 15: ALL
Containing 640.00 acres, more or less.

Section 16: S $\frac{1}{2}$
Containing 320.00 acres, more or less.

Section 17: W $\frac{1}{2}$
Containing 320.00 acres, more or less.

Section 19: Lots 7(37.79), 8(37.99), S $\frac{1}{2}$ S $\frac{1}{2}$ (aka S $\frac{1}{2}$)
Containing 315.78 acres, more or less.

Section 20: ALL
Containing 640.00 acres, more or less.

Section 21: ALL
Containing 640.00 acres, more or less.

Section 22: ALL
Containing 640.00 acres, more or less.

Section 23: E½
Containing 320.00 acres, more or less.

Section 24: E½
Containing 320.00 acres, more or less.

Section 25: ALL
Containing 640.00 acres, more or less.

Section 26: ALL
Containing 640.00 acres, more or less.

Section 27: ALL
Containing 640.00 acres, more or less.

Section 28: SW
Containing 160.00 acres, more or less.

Section 29: W½
Containing 320.00 acres, more or less.

Section 30: Lots 5(38.19), 6(38.40), 7(38.62), 8(38.83), E½W½, E½ (aka ALL)
Containing 634.04 acres, more or less.

Section 31: Lots 5(39.07), 6(39.34), E½NW, NE (aka N½)
Containing 318.41 acres, more or less.

Section 32: Lots 1(39.60), 2(39.59), 3(39.58), 4(39.57), Tract 54(8.22), Tract 58(7.82),
N½S½, N½ (aka ALL)
Containing 654.38 acres, more or less.

Section 33: Lots 4(39.60), 5(39.60), 6(39.60), 7(39.60), Tract 51(3.86), Tract 52(4.32),
Tract 54(6.99), N½S½, N½ (aka ALL)
Containing 653.57 acres, more or less.

Section 34: Lots 3(42.00), 4(41.79), Tract 52(2.43), S½SW, N½S½, N½ (aka ALL)
Containing 643.79 acres, more or less.

Section 35: Lots 1(41.67), 2(41.55), 3(41.45), 4(41.33), N $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ (aka ALL)
Containing 646.00 acres, more or less.

Section 36: Lots 1(2.76), 2(2.59), 3(2.42), 4(2.33), Tract 37(634.74) (aka ALL)
Containing 644.75 acres, more or less.

Township 5 South, Range 98 West, 6th P.M.

Section 1: Lots 5(41.85), 6(41.97), 7(42.07), 8(42.19), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (aka ALL)
Containing 648.08 acres, more or less.

Section 2: Lots 5(42.34), 6(42.54), 7(42.74), 8(42.94), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (aka ALL)
Containing 650.56 acres, more or less.

Section 3: Lots 5(43.14), 6(43.35), 7(43.55), 8(43.76), S $\frac{1}{2}$ NE, SENW, E $\frac{1}{2}$ SWNW,
NWSWNW,
N $\frac{1}{2}$ SWSWNW, N $\frac{1}{2}$ S $\frac{1}{2}$ SWSWNW, E $\frac{1}{2}$ SW, E $\frac{1}{2}$ W $\frac{1}{2}$ SW, SE
Containing 611.30 acres, more or less.

Section 4: Lots 5(43.94), 6(44.10), 9(19.63), SENE, NESWNE, N $\frac{1}{2}$ SESWNE ,
N $\frac{1}{2}$ S $\frac{1}{2}$ SESWNE
Containing 165.17 acres, more or less.

Section 10: Lots 4(16.64), 5(16.64), SE
Containing 193.28 acres, more or less.

Section 12: ALL
Containing 640.00 acres, more or less.

Section 13: N $\frac{1}{2}$ N $\frac{1}{2}$, Lots 5(19.39), 6(19.53), 7(19.65), 8(11.75), that portion of Tract
68(143.85) lying in the S $\frac{1}{2}$.
Containing 374.17 acres, more or less.

Section 14: Lots 5(11.28), 6(23.36), 7(8.01), those portions of Tract 68(16.15), Tract
70(59.00),
Tract 71(59.00), Tract 72(59.00) lying in the S $\frac{1}{2}$.
Containing 235.80 acres, more or less.

Section 15: Lots 1(16.64), 2(16.64), 3(20.68), 4(20.67), 5(8.00), 6(8.04), 7(8.32), NE.
Containing 258.99 acres, more or less.

Township 6 South, Range 97 West, 6th P.M.

Section 5: Lots 5(40.14), 6(40.03), 7(39.91), 8(39.80) (**Order 510-15**)
Containing 159.88 acres, more or less

Section 6: Lots 8(39.52), 9(39.09), 10(39.01), and 11(27.00).
Containing 144.62 acres, more or less.

Township 6 South, Range 98 West, 6th P.M.

Section 1: W½ , aka those portions of Tract 37(5.00), Tract 54(40.39), Tract 56(19.93),
Tract 51(121.15) lying in the section.

Containing 186.47 acres, more or less.

Section 2: E½, aka those portions of Tracts 49(2.00), 54(76.00), 37(75.00), 56(19.01)
lying in the section.

Containing 172.01 acres, more or less.

CONTAINING 20,626.48 acres, more or less.

EXHIBIT B

Interested Parties

Williams Production RMT Company
Max Faith , Landman
1515 Arapahoe Street – Tower 3, Suite 1000
Denver, CO 80202

EnCana Oil & Gas (USA) Inc
Kirsten E. Orahoad – Group Lead Land, N. Piceance
370 17th Street, Suite 1700
Denver, CO 80202

Chevron U.S.A. Inc
DonJuan Brown, Land Representative
11111 S. Wilcrest Dr.
Houston, TX 77099

Petroleum Development Corp.
Jim Schaff, V.P. – Land
1775 Sherman Street, Suite 3000
Denver, CO 80203

Berry Petroleum Company
Mary Ann Adams, Senior Landman
950 17th Street, Suite 2400
Denver, CO 80202

PGR Partners, LLC
370 17th Street, Suite 4300
Denver, CO 80202

Teton Energy Corporation
470 17th Street, Suite 1850
Denver, CO 80202

Delta Petroleum Corp.
370 17th Street, Suite 4300
Denver, CO 80202

Marathon Oil Company
Peggy A. Gilbert, Senior Land Professional
5555 San Felipe, Room 3415
Houston, TX 77056

OXY USA WTP LP
5 Greenwood Plaza, Suite 110
Houston, TX 77046-0521

Shell Frontier Oil & Gas Inc.
Keith Etzel, Contracts and Joint Ventures
200 North Dairy Ashford
Houston, TX 77079

ExxonMobil Corporation
ExxonMobil Oil Corporation
Glen Murdock, Piceance Project Land Advisor
396 West Greens Road, Room 714
Houston, TX 77067-4530

ConocoPhillips Company
Justin K. Williams, Landman
1600 Broadway, Suite 1800
Denver, CO 80202

Desert Resources LLC
5460 S. Quebec Street, Suite 250
Greenwood Village, CO 80111

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

Myco Industries Inc.
105 S. 4th Street
Artesia, NM 88210

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

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

Bureau of Land Management
Glenwood Springs Field Office
50629 Highways 6 & 24
Glenwood Springs, CO 81601

Bureau of Land Management
White River Field Office
220 E. Market Street
Meeker, CO 81641

Judith H. Jordan
Garfield County
144 E. 3rd St. Suite 203
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 or before June _____, 2008, he caused a copy of the attached Application in the subject docket to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit B to the Application.

William A. Keefe

Subscribed and sworn to before me June _____, 2008.

Witness my hand and official seal.

My commission expires: _____.

Notary Public