

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

IN THE MATTER OF THE APPLICATION OF)	
ENCANA OIL & GAS (USA) INC. FOR AN)	
ORDER ESTABLISHING DRILLING AND)	Cause No.
SPACING UNITS THE WILLIAMS FORK AND)	
ILES FORMATIONS OF THE MESAVERDE)	Docket No.
GROUP FOR CERTAIN DESCRIBED LANDS)	
IN THE PARACHUTE FIELD AREA,)	
GARFIELD COUNTY, COLORADO)	

APPLICATION

EnCana Oil & Gas (USA) Inc. (“Applicant”), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the “Commission”) for an order establishing drilling and spacing units for certain described lands in the Parachute area, Garfield County, Colorado and in support of its Application states and alleges as follows:

- 1. Applicant is a corporation duly authorized to conduct business in the State of Colorado.
- 2. Applicant owns leasehold interests in the following described lands:

Township 8 South, Range 96 West, 6th P.M.
Section 4: SW/4
Section 4: NW/4SE/4

Garfield County, Colorado

(hereafter the “Application Lands”).

- 3. That the Application Lands are currently unspaced for the Williams Fork and Iles Formations and are therefore subject to Rule 318a well location rules.
- 4. Through this Application, Applicant wishes to establish one 40 acre drilling and spacing unit (Section 4: NW/4SE/4) and one 160-acre drilling and spacing unit (Section 4: SW/4), for both the Williams Fork and the Iles Formations.
- 5. That Applicant has drilled, tested and completed wells in the Williams Fork and Iles Formations of the Mesaverde Group on the lands nearby to Application Lands.
- 6. Applicant requests that the effective well density be the equivalent of one well per 20 acres for the Williams Fork Formation, and the same well density of one well per 20 acres be established as to the Iles Formation, and that the setback requirements be 200 feet from the boundaries of the drilling and spacing unit and 400 feet from an existing Williams Fork or Iles wells absent an exception from the Commission.
- 7. That the above-proposed drilling and spacing units with wells on a 20-acre pattern will allow more efficient and economic drainage of the Williams Fork and Iles formations of the Mesaverde Group; will prevent waste; will not adversely effect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoir.
- 8. Applicant commits that 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.

9. 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, 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 May, 2008.

Respectfully submitted,

ENCANA OIL & GAS (USA) INC.

By: _____
Michael J. Wozniak
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499

Applicant's Address:
370 17th Street, Suite 1700
Denver, CO 80202

VERIFICATION

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

Trent Sims, Land Negotiator of EnCana Oil & Gas (USA) Inc., upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information and belief.

ENCANA OIL & GAS (USA) INC.

By: _____
Trent Sims, Land Negotiator

Subscribed and sworn to before me this ____ day of May, 2008, by Trent Sims, Land Negotiator of EnCana Oil & Gas (USA) Inc.

Witness my hand and official seal. My commission expires: _____

Notary Public

EXHIBIT A

INTERESTED PARTIES

Judith H. Jordan
Garfield County
144 E. 3rd St., Suite 203
Rifle, CO 81650

M. Carter Jolley
P. O. Box 284
Glenwood Springs, CO 81601

Steven W. Keinath and Sherry L. Keinath
215 West 24th Street
Rifle, CO 81650-3235

Pamela A. Cooper,
fka Pamela Ann Morris
200 West Fox
La Sal, Utah 84530

Henry H. Gordon
10858 East Berry Place
Englewood, Colorado 80111

Musgrave Family LLL Partnership
c/o Marjory M. Musgrave
629 West North Street
Aspen, Colorado 81611

MAP0406, an Oklahoma General
Partnership
c/o Mineral Acquisition Partners, Inc.
101 North Robinson - Suite 1000
Oklahoma City, OK 73102-5514

Charles W. and Patty N. Brown, LLC
P. O. Box 587
Marlow, OK 73055

Aspen Leaf, LLC
P. O. Box 1488
Mustang, OK 73064

Bureau of Land Management
Attn: Duane Spencer
2850 Youngfield Street
Lakewood, CO 80215

William C Hammerich
17618 County Road Q7
Fort Morgan, CO 80701

John David Hammerich
PO Box 49
Rifle, CO 81650

Sharon H Hanson
PO Box 1389
Rifle, CO 81650

Karen L Latham
PO Box 36
DeBeque, CO 81630

Gail T Wilson
13055 Wide Acres
Golden, CO 80401

Fossil Creek Land CO
PO Box 485
Mustang, OK 73064

PetroHunter Operating Company
Attn: Jim Bob Byrd
Hudson Bay Center
1600 Stout St, Suite 2000
Denver, CO 80202

George B. Crain and Debra H. Crain
5446 West Stone Creek Drive
Highland, UT 84003

Williams Production RMT Company.
Attn: Annette Appearson
1515 Arapahoe Street, Tower 3, #1000
Denver, CO 80202

Yates Petroleum Corporation,
Yates Drilling Company
AGO Petroleum Corporation,
MYCO Industries, Inc
Attn Kathy Porter
1055 Fourth St
Artesia, NM 88210