

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

IN THE MATTER OF THE APPLICATION OF)
ENCANA OIL & GAS (USA) INC. FOR AN) Cause No. 440
ORDER POOLING ALL NONCONSENTING)
INTERESTS IN THE WILLIAMS FORK) Docket No.
FORMATION IN AN ESTABLISHED DRILLING)
AND SPACING UNIT LOCATED IN THE)
PARACHUTE FIELD, GARFIELD COUNTY,)
COLORADO)

APPLICATION

COMES NOW EnCana Oil & Gas (USA) Inc. (referred to herein as “Applicant”), by and through its undersigned counsel, and makes application to the Oil and Gas Conservation Commission of the State of Colorado (“COGCC”), for an order to pool all non-consenting interests for the drilling of wells in an approximate 40-acre drilling and spacing unit in the Williams Fork Formation in the lands more particularly described in Paragraph 2 below located in Township 7 South, Range 95 West, 6th P.M., Garfield County, Colorado. In support thereof, the Applicant states and alleges as follows:

1. That the Applicant is a corporation duly authorized to conduct business in the State of Colorado.
2. That the Applicant owns leasehold interests in the unit requested for pooling.

Township 7 South, Range 95 West, 6th P.M.
Section 17: SE ¼ NE ¼

Garfield County, Colorado

(“Application Lands”)

3. On April 20, 1990, the Commission issued Order No. 440-12 which established 320-acre drilling and spacing units for Application Lands. On August 28, 2007, the Commission issued Order No. 440-48 which vacated the 320 drilling and spacing units and established 40-acre drilling and spacing units for the Application Lands. Order 440-48 allowed the equivalent of one well per 20 acres for production from the Williams Fork and Iles Formations, and the setback requirements of 200 feet from the boundaries of the drilling and spacing unit and 400 feet from any existing Williams Fork or Iles Formation well.
4. Applicant has proposed two (2) well(s) to the Williams Fork within the drilling and spacing unit described in paragraph 3 above as follows:

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5. That some of the parties listed on Exhibit A hereto own separate leased mineral interests in the referenced drilling and spacing unit located in Section 17 encompassed within the drilling and spacing unit, and such parties have been offered the option to participate in the drilling of the well in the unit, but to date one or more of such parties have refused to participate by bearing their proportionate shares of the costs and risks of drilling or operating the well. An AFE for the well containing the information required by COGCC Rule 530.a. was sent respecting the well more than thirty (30) days prior to the date of the hearing on this Application. A copy of an example of such AFE and letter is attached hereto as Exhibit B.
6. Moreover, that with respect to any non-consenting owners of unleased mineral interests listed on Exhibit A, Applicant has made reasonable attempts pursuant to COGCC Rule 530.b. to enter into leases with such parties but has as of yet been unsuccessful in such attempts.
7. That in order to prevent waste, protect correlative rights and in the best interests of conservation, all interests owned by the nonconsenting parties listed on Exhibit A should be pooled in the Williams Fork in accordance with C.R.S. § 34-60-116 and Rule 530 of the COGCC.

8. That the names and addresses of the interested parties with respect to this Application are as set forth in Exhibit A hereto.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice thereof be given as required by law and that upon such hearing this Commission enter its order:

A. That all leasehold interest owners with whom Applicant has been unable to secure an agreement for the drilling of the proposed wells and all unleased mineral interests owners who refuse to execute a lease as described in paragraphs 4 and 5 be pooled involuntarily with respect to the Williams Fork and Iles Formations, and that such owners be treated as non-consenting owners under C.R.S. § 34-60-116 and made subject to the terms and penalties provided for therein.

B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this ____ day of February, 2008.

Respectfully submitted,

ENCANA OIL & GAS (USA) INC.

By:

Steve Sullivan
Welborn Sullivan Meck & Tooley, P.C.
821 17th Street, Suite 500
Denver, CO 80202
(303) 830-2500

Applicants' Address:

370 17th Street, Suite 1700
Denver, CO 80202

VERIFICATION

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

Cynthia Crewson, Land Negotiator of EnCana Oil & Gas (USA) Inc., upon oath deposes and says that she 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: _____
Cynthia Crewson, Land Negotiator

Subscribed and sworn to before me this _____ day of February, 2008, by Cynthia Crewson,
Land Negotiator of EnCana Oil & Gas (USA) Inc.

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

Notary Public

EXHIBIT A

Interested Parties

Consenting and/or Leased

EnCana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202

Non-Consenting and Unleased

Paradise Valley Minerals LLC
P.O. Box 600
Parachute, CO 81635

Antero Resources Piceance Corporation
1625 17th Street, Suite 300
Denver, CO 80202