

**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 DRILLING AND  
SPACING UNITS, WELL LOCATION AND  
SETBACK RULES FOR THE DRILLING OF  
WILLIAMS FORK FORMATION WELLS ON  
CERTAIN DESCRIBED LANDS IN 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 an application to the Oil and Gas Conservation Commission of the State of Colorado for an order establishing two drilling units together with well location and setback rules applicable to the drilling and producing of wells from the Williams Fork Formation of the Mesaverde Group underlying certain described lands in 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 oil and gas leasehold interests covering all or a portion of the following described lands (hereinafter "Application Lands"):

Township 7 South, Range 96 West, 6th P.M.

Section 28: SE/4SW/4 (38.55 acres, per Construction Surveys, Inc.'s plat; 40 acre by BLM MT plat), S/2SE/4 (78.99 acres, per Construction Surveys, Inc.'s plat, 80 acres by MT plat)

3. That the Application Lands are unspaced as to the Williams Fork Formation of the Mesaverde Group. That, pursuant to the Commission's Order 510-20, the S/2SE/4 of the Application Lands was granted 10 acre density drilling for the production of gas and associated hydrocarbons from the Williams Fork Formation. That, pursuant to the Commission's Order 510-1, the SE/4SW/4 of the Application Lands which among other things, established new setback rules allowing permitted wells to be located no closer than 400 feet from the boundaries of any lease line and no closer than 800 feet from any existing Williams Fork Formation well.

4. That Applicant requests that the Commission establish the SE/4SW/4 of the Application Lands as an approximate 40 acre drilling and spacing unit for the production of gas and associated hydrocarbons from the Williams Fork Formation and that the Commission establish the S/2SE/4 of the Application Lands as an approximate 80 acre drilling and spacing unit for the production of gas and associated hydrocarbons from the Williams Fork Formation.

5. That Applicant also requests that the approximate 80 acre drilling unit constituting the S/2SE/4 of the Application Lands continue to be authorized for 10 acre density drilling for the production of gas and associated hydrocarbons from the Williams Fork Formation and that the approximate 40 acre drilling unit constituting the SE/4SW/4 of the Application Lands

be authorized for 10 acre density drilling for the production of gas and associated hydrocarbons from the Williams Fork Formation.

6. That multiple wells have been drilled, tested and completed in the Williams Fork Formation of the Mesaverde Group upon lands in proximity to the Application Lands.

7. That the requested drilling and spacing units are necessary due to the large number of leases within each of said units and the necessity of allowing downhole placement of wells more efficiently without having to respect lease lines within the units.

8. That as to the Application Lands, the Commission should allow Williams Fork wells to be optionally drilled upon a ten (10) acre density basis with each such well to be located downhole anywhere upon such lands provided no such well shall be located downhole any closer than 100 feet from the outside boundary of the Application Lands unless such boundary abuts or corners lands in respect of which the Commission has not at the time of the drilling permit application granted the right to drill 10 acre density Williams Fork wells in which event the Williams Fork wells to be drilled upon the Application Lands shall be drilled downhole no closer than 200 feet from that portion of the boundary which so abuts or corners the lands in respect of which 10 acre density downhole drilling for Williams Fork wells has not been ordered by the Commission.

9. 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 the equivalent of no more than one pad located on a given quarter quarter section unless exception is granted by the Colorado 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 May, 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: March\_\_\_\_\_, 2008.

By:

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William A. Keefe  
POULSON, ODELL & PETERSON, LLC  
1775 Sherman Street, Suite 1400  
Denver, Colorado 80203  
Telephone No.: (303) 861-4400  
Facsimile No.: (303) 861-1225



**VERIFICATION**

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

Christopher M. Walsh, of lawful age, being first duly sworn upon his oath, states and declares:

That he is the Senior Staff Landman for Williams Production RMT Company, Applicant herein; that he has read the above and foregoing Application by him subscribed, knows the contents thereof, and that the allegations and matters therein stated are true and correct as he verily believes.

By: \_\_\_\_\_  
Christopher M. Walsh

Subscribed and sworn to before me this \_\_\_\_\_ day of March 2008.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

## Exhibit A

Williams Production RMT Company  
Christopher M. Walsh, Senior Staff Landman  
1515 Arapahoe Street Tower 3 Suite 1000  
Denver CO 80202

Williams Production RMT Company  
1515 Arapahoe Street, Suite 1000  
Tower 3  
Denver, CO 80202

Board of County Commissioners  
Garfield County, Colorado  
Attn: John Martin, Chair  
108 8th Street, Suite 213  
Glenwood Springs, CO 81601

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

Attn: Hank Szymanski  
Bureau of Land Management  
2850 Youngfield Street  
Lakewood, CO 80215

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

Judith H. Jordan  
Garfield County  
144 E. 3rd Street  
Rifle, CO 81650

Yates Petroleum Corporation  
Yates Drilling Company  
ABO Petroleum Corporation  
MYCO Industries, Inc.  
Attn: Kathy Porter  
105 S. Fourth St.  
Artesia, NM 88210

Attn: Rick Gallegos  
EnCana Oil & Gas (USA) Inc.  
Republic Plaza  
370 17th Street  
Suite 1700  
Denver, CO 80202

Attn: Glen R. Murdock  
ExxonMobil Production Corporation  
P.O. Box 4697  
Houston, TX 77210-4697

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

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

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## AFFIDAVIT OF MAIL

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

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 the \_\_\_\_\_ day Of March, 2008, 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 March, 2008.

Witness my hand and official seal.

My commission expires:

Notary Public