

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, WELL
DENSITY AND LOCATION RULES FOR THE
WILLIAMS FORK FORMATION OF THE
MESAVERDE GROUP FOR CERTAIN
DESCRIBED LANDS IN THE PARACHUTE
FIELD AREA, GARFIELD COUNTY, COLORADO

CAUSE NO. 139 and 440

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 spacing, well density and 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 Parachute 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 following described lands:

Township 7 South, Range 95 West, 6th P.M.

Section 9: All

Section 10: All

Section 11: NW/4

(hereinafter "Application Lands")

3. That Applicant and others have drilled, tested and completed various wells in the Williams Fork Formation upon lands in the vicinity of the Application Lands.

4. That, pursuant to the Commission's Order No. 440-12 dated April 20, 1990, Section 9 of the Application Lands was established as an approximate 640 acre drilling and spacing unit for the production of gas and associated hydrocarbons produced from the Mesaverde Formation with the option to drill a total of three wells within such unit. Under this same order Section 10 of the Application Lands were established as approximate 320 acre drilling and spacing units for the production of gas and associated hydrocarbons produced from the Mesaverde Formation which are to consist of the E/2 and W/2 or the N/2 and S/2 of the section with the operator of the first well permitted in a section to designate the drilling unit.

5. That, pursuant to the Commission's Amended Order No. 440-16 dated February 21, 1995, the approximate 320 acre drilling and spacing units constituting Section 10 of the Application Lands were approved for 40 acre density drilling for the production of gas and associated hydrocarbons from the Williams Fork Formation of the Mesaverde Group. This was followed by the Commission's Order No. 440-18 dated July 1, 1997, which approved the W/2 of

Section 10 for 20 acre density drilling for the production of gas and associated hydrocarbons from the Williams Fork Formation of the Mesaverde Group.

6. That, pursuant to the Commission's Order 139-71 dated February 12, 2007, the NW/4 of Section 11 of the Application Lands was established as an approximate 160 acre drilling and spacing unit for the production of gas and associated hydrocarbons produced from the Williams Fork Formation and Iles Formation and also granted 20 acre density drilling for these formations.

7. That to promote efficient drainage within the Williams Fork 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 Williams Fork Formation of each drilling unit described below to the equivalent of one Williams Fork well per 10 acres.

8. That Williams Fork Formation wells should be located downhole anywhere within a given drilling unit but no closer than 100 feet from the boundary or boundaries of the unit 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 Formation wells, the well should be located downhole within that unit no closer than 200 feet from the boundary or boundaries of such drilling unit so abutting or cornering such lands without exception being granted by the Director of the Oil and Gas Conservation Commission.

9. That wells shall be drilled from the surface either vertically or directionally from no more than one well pad located on a given quarter quarter section (or lot or parcel equivalent thereto) unless exception is granted by the Director of the Colorado Oil and Gas Conservation Commission.

10. That the above-proposed spacing and well location rules will allow development of the Williams Fork 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.

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 2009; 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 March, 2009.

BEATTY & WOZNIAK, P.C.

By: _____
William A. Keefe
216 Sixteenth Street, Suite 1100
Denver, Colorado 80202-5155
303-407-4475

VERIFICATION

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

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 March, 2009.

Witness my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT A

United States Department of Interior
Bureau of Land Management
Attention: Steve Bennett
2425 S. Grand Ave, Ste 101
Glenwood Springs, CO 81601

United States Department of Interior
Bureau of Land Management
Attn: Duane Spencer
2850 Youngfield Street
Lakewood, CO 80215

United States Department of Interior
Bureau of Land Management
Attn: Hank Szymanski
2850 Youngfield Street
Lakewood, CO 80215

United States Department of Interior
Bureau of Land Management
attn: Marty O'Mara
2425 South Grand Ave., Suite 101
Glenwood Springs, CO 81601

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

Yates Petroleum Corporation
Yates Drilling Company
Myco Industries
ABO Petroleum Corporation
105 S. 4th Street
Artesia, NM 88210

Apollo Energy, LLC
1538 Wazee Street, Suite 200
Denver, Colorado 80202

Exxon Mobil Corporation
Attn: Aaron R. Russell
396 West Greens Road
Houston, TX 77067

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

Mesa Acres LLC, a Colorado Limited
Liability Company
Attn: Craig Hayward
2581 Park Lane
Lafayette, CO 80026

Michael S. Lucero
P.O. Box 4483
Aspen, CO 81612

Paradise Valley Minerals LLC
P.O. Box 6000
Parachute, CO 81635

Garfield County Board of County
Commissioners
108 8th Street
Glenwood Springs, CO 81601

Energy Resource Group One
Energy Resource LLC
Attn: Dennis Mitchell
P. O. Box 711
Yankton, SD 57078

JC Petroleum Inc
P.O. Box 1433
Chickasha, OK 73023

Mark L. Shidler, Inc.
Attn: Mark L. Shidler
1010 Lamar, Suite 500
Houston, TX 77022

Marks Oil Inc.
Attn: Stephen K. Marks
1775 Sherman St., Suite 2990
Denver, CO 80203-4324

Rock Eagle Ranch Corp.
Attn: Richard E. Weinberg
P.O. Box 458
Bellaire, TX 77402-0458

ROEC, Inc.
Attn: Bill Richardson
528 S. Corona St.
Denver, CO 80209

Ward N Adkins Jr.
5519 Tupper Lake
Houston, TX 77056

Paladin Inc.
P. O. Box 5062
Scottsdale, AZ 85261-5062

Thomas Family Limited Partnership
P. O. Box 80123
Phoenix, AZ 85060

Knudson Family Trust
Eric I. Knudson & Jodi A. Knudson
931 S. Lagoon Dr.
Gilbert, AZ 85233

Blue Ridge Energy LLC
P. O. Box 26567
Phoenix, AZ 85068

John Santos
2851 E. Capricorn Pl.
Chandler, AZ 85249

John J Watson Trust – 2006
Carl Weinstein &
Mary M Watson Co-Trustees
21 Delaware Rd
Easton, CT 06612

Richard Orton
966 County Road 228
Silt, CO 81652-9526

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

Judith H. Jordan
Garfield County
0375 County Road 352, Bldg 2060
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 March _____, 2009, 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 March _____, 2009.

Witness my hand and official seal.

My commission expires: _____.

Notary Public