

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 DRILLING OF
WILLIAMS FORK FORMATION AND ILES
FORMATION (INCLUDING THE SEGO MEMBER
OF THE ILES FORMATION) WELLS FOR
CERTAIN DESCRIBED LANDS IN RIO BLANCO
COUNTY, COLORADO

CAUSE NO. 527

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 Williams Fork Formation and Iles Formation (including the Sego Member of the Iles Formation) of the Mesaverde Group covering certain described lands in the Rio Blanco 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 a leasehold interest in all or a substantial portion of following described lands:

Township 1 South, Range 98 West, 6th P.M.
Section 36: Lots 1, 8, 9

Township 2 South, Range 97 West, 6th P.M.
Section 32: Lots 1-8 (S $\frac{1}{2}$)

Township 2 South, Range 98 West, 6th P.M.
Section 12: Lots 11-20, N $\frac{1}{2}$ SW, S $\frac{1}{2}$ NW, SWNE, NENW (ALL)
Section 14: Lots 1-8, S $\frac{1}{2}$ (ALL)

Township 2 South, Range 99 West, 6th P.M.
Section 22: S $\frac{1}{2}$
Section 23: S $\frac{1}{2}$
Section 25: S $\frac{1}{2}$ NW, SENE, NWSW, S $\frac{1}{2}$ S $\frac{1}{2}$, NESE
Section 26: NWNE, N $\frac{1}{2}$ NW, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
Section 27: ALL
Section 34: ALL
Section 36: SE

Township 3 South, Range 97 West, 6th P.M.
Section 4: Lots 5-7, SENW, N $\frac{1}{2}$ SW, SWSW

Section 5: Lots 5-16, SE (ALL)
Section 7: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ (ALL)
Section 8: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ SW, SWSE
Section 16: ALL
Section 17: W $\frac{1}{2}$, W $\frac{1}{2}$ NE, SESE
Section 18: Lots 1, 2, E $\frac{1}{2}$ NW

Township 3 South, Range 98 West, 6th P.M.
Section 13: W $\frac{1}{2}$ SW, NESW, W $\frac{1}{2}$ SE
Section 35: SE

Township 3 South, Range 99 West, 6th P.M.
Section 1: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$
Section 2: S $\frac{1}{2}$ NE, E $\frac{1}{2}$ SE
Section 3: E $\frac{1}{2}$ SE
Section 13: N $\frac{1}{2}$, SW
Section 14: ALL
Section 23: ALL
Section 25: N $\frac{1}{2}$
Section 26: N $\frac{1}{2}$ N $\frac{1}{2}$
Section 27: N $\frac{1}{2}$

Township 4 South, Range 98 West, 6th P.M.
Section 3: Lots 1-3, S $\frac{1}{2}$ NE, SENW, S $\frac{1}{2}$
Section 4: Lots 1-3, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
Section 5: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (ALL)

(hereinafter "Application Lands")

3. That the Application Lands are unspaced and subject to the Commission's Rule 318.

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

5. That as to the Application Lands, the Commission should permit Williams Fork and Iles Formation 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 wells shall be located downhole any closer than 100 feet from a lease line or from the outside boundary of the Application Lands unless such outside 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 ten (10) acre density Williams Fork wells in which event Williams Fork and Iles Formation wells to be drilled upon the Application Lands shall be drilled downhole no closer than 200 feet from that portion of the Application Lands boundary which so abuts or corners the lands in respect of which ten (10) acre density downhole drilling for Williams Fork Formation wells has not been ordered by the Commission.

6. 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 Director of the Commission pursuant to application made for such exception.

7. That the above-proposed well density and well location rules will allow development of the Williams Fork and Iles Formations 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.

8. 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 November 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 October, 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)
) ss.
CITY AND COUNTY OF DENVER)

Maxwell Faith, of lawful age, being first duly sworn upon oath, deposes and says that he is 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 October, 2009.

Witness my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT A

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

Williams Production Ryan Gulch, LLC
1515 Arapahoe St.
Tower 3 Suite 1000
Denver, CO 80202

Bureau of Land Management
White River Field Office
73544 Highway 64
Meeker, CO 81641

Rio Blanco County
P.O. Box 599
Meeker, CO 81641

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

ExxonMobil Corporation
P.O. Box 4610
Houston, TX 77210

Oxy USA WPT, LP
PO Box 27570
Houston, TX 77227-7570

Equity Oil Company
c/o Whiting Oil & Gas
1700 Broadway, Suite 2300
Denver, CO 80290

Vantage Energy Piceance, LLC
116 Inverness Drive East, Suite 107
Englewood, CO 80112

The Oil Shale Corporation
c/o ConocoPhillips Company
564 Phillips Building
Bartlesville, OK 74004

Shell Oil Company
P.O. Box 576
Houston, TX 77001

Puckett Land Company
5460 South Quebec St. Suite 250
Greenwood Village, CO 80111

C.E. Jacobs
P.O. Drawer 1178
Albany, TX 76430

Sauvage Gas Company
P.O. Box 132
Oberlin, KS 67749

Jones Company
P.O. Box 787
Albany, TX 76430

Guy Caldwell
818 Citizens National Bank Building
Abilene, TX 79604

C.S. Trosper
P.O. Box 1238
Colorado Springs, CO 80901

Lee Caldwell
818 Citizens National Bank Building
Abilene, TX 79604

Agnes Beckham
P.O. Box 739
Abilene, TX

Bob Beckham
P.O. Box 739
Abilene, TX

Richard L. Harris
2805 E. Skelly Dr. Suite 806
Tulsa, OK 74105

Robert M. Smith
3510 Clubheights Dr.
Colorado Springs, CO 80906

John O. Whitney
2300 Riverside Dr. #15F
Tulsa, OK 74114

ANGI Investment Co.
P.O. Box 1135
Albany, TX 76430

Childers Auto Rebuilder
114 Center St.
Cotulla, TX 78014

Virgil Matlack
300 South Clinton St. #8C
Denver, CO 80247

Dallas Title Company
4054 McKinney Ave.
Dallas, TX 75024

Tom C. Gipson
0073 D Sipprelle Dr.
Parachute, CO 81635

Joe W. Bishop
8291 Queen St.
Arvada, CO 80004

Jeff Madison
Rio Blanco County
PO Box 599
Meeker, CO 81641

Colorado Division of Wildlife
6060 Broadway
Denver, CO 80216

Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

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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 October_____, 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 October_____, 2009.

Witness my hand and official seal.

My commission expires: _____.

Notary Public