

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

IN THE MATTER OF THE APPLICATION WILLIAMS
PRODUCTION RMT COMPANY FOR AN ORDER
ESTABLISHING ONE APPROXIMATE 320 ACRE
DRILLING AND SPACING UNIT AND TO AUTHORIZE
TEN ACRE DENSITY DRILLING FOR THE
PRODUCTION OF GAS AND ASSOCIATED
HYDROCARBONS FROM THE WILLIAMS FORK
FORMATION AND ILES FORMATIONS OF THE
MESAVERDE GROUP UNDERLYING CERTAIN
DESCRIBED LANDS IN KOKOPELLI FIELD AREA,
GARFIELD COUNTY, COLORADO

Cause No. _____

Docket No. _____

APPLICATION

COMES NOW Williams Production RMT Company ("Applicant"), by its attorneys, Beatty & Wozniak, P.C., LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order establishing spacing rules for the Williams Fork and Iles Formations of the Mesaverde Group and well density and location rules applicable to the drilling and producing of wells from the Williams Fork and Iles Formations of the Mesaverde Group covering certain described lands in the Kokopelli Field area, Garfield County, Colorado and in support of its application states and alleges as follows:

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

Township 6 South, Range 91 West, 6th P.M.

Section 4: SE/4SW/4

Section 7: NE/4, N/2SE/4

Section 8: NW/4, W/2NE/4

Section 9: W/2E/2

Section 15: SW/4SW/4

(herein referred to as "Application Lands")

3. That the lands described above in Section 4, Section 9 and Section 15 are unspaced and subject to Commission Rule 318 a. which provides that wells to be drilled two thousand feet or greater shall be located not less than one thousand two hundred (1,200) feet from any other producing or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

4. That the lands described above in Section 8 are subject to the Commission's Order 513-1 dated January 26, 1995 which established 320 acre drilling and spacing unit for all of

Section 8 (and other lands) for the production of gas and associated hydrocarbons for the Williams Fork Formation. The lands described above in Section 8 also are subject to the Commission's Order 513-5 dated January 26, 2009 which established 320 acre drilling and spacing units for Section 8 (and other lands) for the production of gas and associated hydrocarbons from the Iles Formation. By election, the N/2 and S/2 of said Section 8 were the designated approximate 320 acre drilling units established for such section for both the Williams Fork Formation and the Iles Formation. There are currently no wells producing from these formations in the N/2 of said Section 8. The E/2NE/4 and S/2 of said Section 8, pursuant to the Commission's Order 513-4 dated July 21, 2008 have been authorized for the drilling of ten acre density wells for both the Williams Fork and Iles Formations.

5. That the lands described above in Section 7 currently are unspaced and subject to Commission Rule 318.a. which provides that wells to be drilled two thousand feet or greater shall be located not less than one thousand two hundred (1,200) feet from any other producing or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing. Applicant requests that the entire E/2 of Section 7 be established as an approximate 320 acre drilling and spacing unit for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations. There are currently no wells producing from these formations in the E/2 of said Section 7. The S/2SE/4 and SE/4SW/4 of said Section 7, pursuant to the Commission's Order 513-4 dated July 21, 2008 have been authorized for the drilling of ten acre density wells for both the Williams Fork and Iles Formations.

6. In addition to the establishment of the drilling unit as discussed in paragraph 5 above, Applicant requests that all of the Application Lands be authorized for optional ten acre density drilling for the Williams Fork and Iles Formations. As to the Application Lands located within the drilling unit constituting the N/2 of Section 8 of Township 6 South, Range 91 West, 6th P.M. and as to the Application Lands to be located within the requested drilling and spacing unit constituting the E/2 of Section 7 of Township 6 South, Range 91 West, 6th P.M., each well may be located downhole anywhere within the unit provided no such wells shall be located downhole any closer than 100 feet from the boundary of the unit 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 ten (10) acre density Williams Fork wells in which event Williams Fork Formation wells to be drilled upon the given drilling and spacing unit shall be located downhole no closer than 200 feet from the portion of the unit boundary which so abuts or corners the lands in respect of which ten (10) acre density downhole drilling for William Fork and Iles Formation wells has not been ordered by the Commission.

7. As to the Application Lands which are not located within a drilling and spacing unit (being all of the Applications Lands except those within Section 8 and Section 7), each well may be located downhole anywhere within such Application Lands provided no such wells shall be located downhole no closer than 100 feet from the boundaries of any lease line unless such lease line abuts or corners lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill Williams Fork Formation ten (10) acre density wells in which event the wells shall be drilled downhole no closer than 200 feet from the lease line which so abuts or corners the lands in respect of which the ten (10) acre density downhole drilling for Williams Fork wells has not been ordered by the Commission.

8. That Iles Formation wells will be drilled only in conjunction with the drilling of Williams Fork Formation wells.

9. That wells shall be drilled from the surface either vertically or directionally from no more than one wells 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, well density and 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 reservoirs.

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 July, 2010, 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: April ____, 2010.

BEATTY & WOZNIAK, P.C.

By: _____
William A. Keefe
216 Sixteenth St., Suite 1100
Denver, Colorado 80202-5110
(ph) 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 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 April, 2010.

Witness my hand and official seal.

My commission expires:

Notary Public

EXHIBIT A

NOTICE LIST

Williams Production RMT Company
Attn: Christopher M. Walsh
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Denver, CO 80202

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
Attention: Lindsey Ellsworth
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United States Department of Interior
Bureau of Land Management
Attn: Lynn Rust
2850 Youngfield Street
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4300 Cherry Creek Drive South
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1625 Seventeenth Street, Ste 300
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Brownstone Ventures (US) Inc.
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AFFIDAVIT OF MAILING

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

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 April _____, 2010, 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 April _____, 2010.

Witness my hand and official seal.

My commission expires:

Notary Public