

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 ILES  
FORMATION OF THE MESAVERDE GROUP  
FOR CERTAIN DESCRIBED LANDS IN THE  
KOKOPELLI FIELD AREA, GARFIELD COUNTY,  
COLORADO

CAUSE NO. 191

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 Iles Formation of the Mesaverde Group covering certain described lands in the Kokopelli 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 6 South, Range 91 West, 6<sup>th</sup> P.M.

Section 22: E/2

Section 25: N/2

Section 26: N/2

Section 27: W/2SE/4

(hereinafter "Application Lands")

3. That the Application Lands currently are not spaced as to the Iles Formation of the Mesaverde Group and are subject to the Commission's Rule 318 which provides that wells 2,500 feet or deeper shall be located not less than six hundred (600) feet from any lease line and not less than one thousand two hundred (1,200) feet from any other producible 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, pursuant to the Commission's Order No. 191-11 dated May 16, 2005, the Application Lands, as to the Williams Fork Formation, were authorized for ten (10) acre density drilling for the Williams Fork Formation with wells at the time of drilling permit application to 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 (10) acre density downhole drilling for Williams Fork wells has not been ordered by the Commission.

5. That Applicant desires to drill and produce gas and associated hydrocarbons from the Iles Formation in conjunction with the drilling and producing of Williams Fork Formation wells upon the Application Lands. Applicant therefore requests that optional ten (10) acre density drilling be authorized for the drilling of Iles Formation wells upon the Application Lands.

6. That Iles Formation wells at the time of drilling permit application to 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 Iles Formation ten (10) acre density wells in which event the wells shall be drilled downhole no closer than 200 feet from the lease which so abuts or corners the lands in respect of which the ten (10) acre density drilling for Iles wells has not been ordered by the Commission without exception being granted by the Director of the Oil and Gas Conservation Commission.

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

8. 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.

9. That the above-proposed spacing and well location rules will allow development of the Iles 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.

10. 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 June 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 this \_\_\_\_\_ day of April, 2010.

**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 April, 2010.

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  
Attention: Lindsey Ellsworth  
2425 S. Grand Ave, Ste 101  
Glenwood Springs, CO 81601

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

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

Judith H. Jordan  
Garfield County  
0375 County Road 352, Bldg 2060  
Rifle, CO 81650

Kim Kaal  
Colorado Division of Wildlife  
6060 Broadway  
Denver, CO 80216

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

Bill Barrett Corporation  
1099 18th Street, Suite 2300  
Denver, CO 80202

Brownstone Ventures (US) Inc.  
130 King St W, Ste. 2810  
Toronto, ON M5X 1A9

Dejour Energy (USA) Corp  
3155 E. Patrick Lane, Ste. 1  
Las Vegas, NV 89120

Garfield Creek LLC  
c/o The Foram Group  
777 Brickell Ave, Suite 808  
Miami, FL 33131

Meadow Ridge #3 LLC  
621 17<sup>th</sup> St., Ste. 1555  
Denver, CO 80293

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

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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 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