

**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 160 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 FORMATION (INCLUDING THE SEGO MEMBER OF THE ILES FORMATION) UNDERLYING CERTAIN DESCRIBED LANDS IN SULPHUR CREEK FIELD AREA, RIO BLANCO COUNTY, COLORADO

Cause No. 527

Docket No. _____

APPLICATION

COMES NOW Williams Production RMT Company ("Applicant"), 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 setback rules for the Williams Fork and Iles Formations of the Mesaverde Group covering certain described lands in the Sulphur Creek Field area, Rio Blanco 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 3 South, Range 97 West, 6th P.M.

Section 16: NE/4

(herein referred to as "Application Lands")

3. That the Application Lands previously were authorized for ten (10) acre density drilling for the Williams Fork and Iles Formations under the Commission's Order 527-6 dated January 11, 2010.

4. That Applicants plans to drill the Federal RG 531-16-397 and Federal RG 41-16-397 wells on the Application Lands.

5. Because there are questions concerning whether or not other working interest owners will agree to join in the drilling of these two wells or otherwise agree to voluntary pooling, Applicant desires to institute involuntary pooling proceedings which, under the statute, cannot be invoked without the existence of a drilling an spacing unit. For this reason, Applicant requests that an approximate one hundred sixty (160) acre drilling and spacing unit constituting the Application Lands be established by the Commission for the production of gas and associated hydrocarbons

from the Williams Fork and Iles Formations (including the Sego Member of the Iles Formation). The Application Lands are covered by one federal lease.

6. Applicant also requests that the Application Lands continue to be authorized for ten (10) acre density drilling for these two formations such that 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 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. That Iles Formation wells will 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 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.

9. 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.

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 September, 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: July ____, 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)

Maxwell Faith, 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.

Maxwell Faith

Subscribed and sworn to before me this _____ day of July, 2010.

Witness my hand and official seal.

My commission expires:

Notary Public

EXHIBIT A

NOTICE LIST

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

OXY USA WTP, LP
Attn: Tim Mahaffey
P.O. Box 77227
Houston, TX 77227-7570

Vantage Energy Piceance, LLC
Attn: Michael Holland
116 Inverness Drive East, Suite 107
Englewood, CO 80112

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

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

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

**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 160 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 FORMATION (INCLUDING
THE SEGO MEMBER OF THE ILES FORMATION)
UNDERLYING CERTAIN DESCRIBED LANDS IN
SULPHUR CREEK FIELD AREA, RIO BLANCO
COUNTY, COLORADO

Cause No. 527

Docket No.

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 July _____, 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 July ____, 2010.

Witness my hand and official seal.

My commission expires:

Notary Public