

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

IN THE MATTER OF THE APPLICATION OF  
WILLIAMS PRODUCTION RMT COMPANY LLC  
FOR AN ORDER ESTABLISHING WELL  
LOCATION AND SETBACK 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  
SULPHUR CREEK FIELD AREA, RIO BLANCO  
COUNTY, COLORADO

CAUSE NO. 527

DOCKET NO.

**APPLICATION**

COMES NOW Williams Production RMT Company LLC ("Applicant"), a Delaware limited liability company, 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 location and setback 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) covering certain described lands in the Sulphur Creek Field area in Rio Blanco 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 2 South ,Range 98 West 6<sup>th</sup> P.M.

Section 15: Lots 1(42.86), 2(42.64), 3(42.59), 6(42.13) 7(42.19), 8(42.41), S½

Section 22: N½

Section 23: NW¼, NW¼NE¼

(hereinafter "Application Lands")

3. That the Application Lands are subject to the Commission's Rule 318 which provides that a well to be drilled two thousand five hundred (2,500) feet or greater shall be located not less than six hundred (600) feet from any lease line and shall be located 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 multiple wells have been drilled upon the Application Lands or upon lands in close proximity to the Application lands with the result that geological and engineering evidence indicates that Williams Fork Formation and Iles Formation wells now should be permitted for drilling on a ten (10) acre density basis.

5. That as to the Application Lands, the Commission should permit Williams Fork Formation and Iles Formation wells to be optionally drilled upon a ten (10) acre density basis with each such well to be located downhole anywhere within the Application Lands provided no such wells shall be located downhole any closer than 100 feet from the boundary of the Application Lands 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 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 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 no more than one pad located on a given quarter quarter section (or lots or parcels approximately equivalent thereto) unless exception is granted by the Colorado Oil and Gas Conservation Commission pursuant to application made for such exception.

7. The granting of this application 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 May, 2011; 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 February, 2011.

**BEATTY & WOZNIAK, P.C.**

By: \_\_\_\_\_  
William A. Keefe  
Kenneth A. Wonstolen  
216 Sixteenth Street, Suite 1100  
Denver, Colorado 80202-5155  
(ph) 303-407-4475

Applicant's Address:  
1515 Arapahoe St. - Tower 3, Suite 1000  
Denver, CO 80202

## 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 LLC 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 February, 2011.

Witness my hand and official seal.

My commission expires:\_\_\_\_\_

\_\_\_\_\_  
Notary Public

## EXHIBIT A

Williams Production Ryan Gulch LLC  
1515 Arapahoe St. - Tower 3, Suite 1000  
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

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

Bureau of Land Management  
2850 Youngfield Street  
Lakewood, CO 80215

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

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

Maxwell Faith  
Williams Production RMT Company LLC  
1515 Arapahoe St. - 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 LLC, that on or before February 25, 2011, 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 February \_\_\_\_\_, 2011.

Witness my hand and official seal.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
Notary Public