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

IN THE MATTER OF THE PROMULGATION AND)ESTABLISHMENT OF FIELD RULES TO GOVERN)OPERATIONS IN THE RULISON, PARACHUTE AND)GRAND VALLEY FIELDS, GARFIELD COUNTY, COLORADO)

CAUSE NO. 510

DOCKET NO. 0502-AW-07

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On June 9, 1994, the Commission issued Order No. 510-1, which amended Rule 316. (now Rule 318) to establish new setback rules for production of gas and associated hydrocarbons from the Williams Fork Formation of the Mesaverde Group for the below-described lands, with the permitted wells to be located no closer than 400 feet from the boundaries of any lease line and no closer than 800 feet from any existing Williams Fork Formation well or wells:

BOSELY'S SPRING CREEK RANCH

Township 7 South, Range 96 West, 6th P.M.

Section 27: Lots 3 (16.10), 4 (43.00), and a parcel of land being that part of the SE¼ and the SE¼ NE¼ lying South and East of the centerline of the Colorado River, described as follows: Beginning at the meander corner on the East line of Section 27; thence S. 34°00' W. 3304.62 feet; thence N. 8°05' E. 550.00 feet; thence N. 13°20 E. 800.00 feet; thence N. 13°20 E. 800.00 feet; thence N. 35°0' E 710.00 feet; thence N. 48°30'E. 880.00 feet; thence N. 30°45'E. 656.90 feet; thence N. 30°45'E. 656.90 feet;

Section 34: E¹/₂ NE¹/₄

Section 35: A parcel of land situated in the SW¼ of Section 35 more particularly described as: Commencing at the Southwest Corner of Section 35, said Corner being lava stone found in place; thence N. $00^{\circ}29'48"$ W. along the westerly line of said Section 35 a distance of 1384.51 feet being the South 1/16 Corner of Section 34 and 35, a 3¼" x 30" bar and 3-1¼" cap L.S. #19598 set in place, the true point of beginning; thence N. $00^{\circ}29'48"$ W. along the westerly line of said Section 35 a distance of 1384.52 feet to the West Quarter Corner of said Section 35; thence leaving said westerly line S. $89^{\circ}50'50"$ E. along the northerly line of SW¼ of said Section 35 a distance of 906.36 feet to the West-Center Sixteenth Corner of said Section 35, a $3'_{4}"$ x 30" bar & $3-1'_{4}"$ Cap L.S. #19598; thence leaving said northerly line S. $10^{\circ}40'42"$ E. a distance of 1591.50 feet to a point, said point being a rebar & $3-1'_{4}"$ cap L.S. #19598; thence N. $81^{\circ}18'14"$ W. a distance of 1203.09 feet to the true point of beginning; said parcel containing 35.136 acres, more or less.

All of the above containing 221.236 acres, more or less.

BOSELY'S STRAIT BOTTOM RANCH

PARCEL 1:

A tract in the SW¹/₄ NE¹/₄ (Lot 3) of Section 23 more fully described as follows:

Beginning at a point 1683.44 feet 35°43' southeast of the northwest corner of the NE¼ of said Section 23; thence 761 feet 38°20' southwest; thence 328.2 feet northwest 55°04'; thence 489.9 feet 34°56' northeast; thence 455.4 feet east to the POINT OF BEGINNING.

containing 5.00 acres, more or less

PARCEL 2:

A parcel of land situated in Section 23 and Section 26; said parcel being situated southeasterly and adjacent to the southeasterly right of way of the Denver and Rio Grande Railroad right of way and being more particularly described as follows:

Commencing at the South Quarter Corner of said Section 23, a B.L.M. aluminum cap standard monument in place, said Quarter Corner also being a Meander Corner along the westerly meander line of the Colorado River as established by existing meander corners found in place and the 1889 G.L.O. Plat of Township 7 South, Range 96 West, 6th P.M.; then S. 20°18'39" W. along said meander line 456.42 feet to the True Point of Beginning;

then continuing along said meander line the following three (3) courses: 1.) S. 20°18'39" W. 185.57 feet;

2.) N. 69°41'21" W. 1091.38 feet;

3.) S. 69°39'39" W. 1553.89 feet to a point on the southeasterly right of way of the Denver and Rio Grande Railroad right of way:

then N. 39°17'37" E. along said right of way 5477.19 feet to a point on said westerly meander line; then S. 12°25'06" W. along said meander line 866.39 feet to the centerline of the Colorado River;

then the following six (6) courses along said river:

1.) S. 18°32'48" E. 1157.33 feet;

2.) S. 00°53'55" E. 227.00 feet;

3.) S. 26° 03'12" W. 863.17;

4.) S. 00°17'34" E. 705.07 feet; 5.) S. 46°14'52" W. 258.31 feet;

6.) S. 87°28'52" W. 548.32 feet to the True Point of Beginning.

Bearings referenced hereon are relative to a bearing of N. 00°06'00" E. between the Center of Section 23, a B.L.M. aluminum cap standard monument, and the North Quarter Corner of Section 23, a G.L.O. brass cap standard monument.

PARCEL 3

A parcel of land situated in Lots 3 and 6, and the E¹/₂SW¹/₄ of Section 23, and Lots 2 and 3 of Section 26; said parcel being more particularly described as follow:

Commencing at the Southwest Corner of said Section 23, a G.L.O. brass cap in place, the True Point of Beginning; thence S. 86°45'50" E. along the southerly line of said Section 23 1400.34 feet to the Southwest Corner of the E1/2 SW1/4 of said Section 23, a rebar and cap in place, L.S. #15651;

thence N. 00°50'34" E. along the westerly line of said E1/2 SW1/4 2573.15 feet to the Northwest Corner of said E¹/₂ SW¹/₄, a B.L.M. aluminum cap in place;

thence S. 88°13'00" E. along the northerly line of said E¹/₂SW¹/₄ of Section 23 1366.17 feet to the Center of said Section 23, a B.L.M. aluminum cap in place;

thence N. 00°06'00" E. along the westerly line of said Lot 3 of said Section 23 667.83 feet to a point on the easterly right of way of the Colorado Department of Highways;

thence N. 34°56'00" E. along said right of way 330.17 feet;

thence continuing along said right of way N. 61°49'03" E. 112.23 feet to a point on the southerly line of a parcel of land described in Reception No. 328642 of the Garfield County records;

thence S. 55°04'00" E. 277.45 feet to the southeast corner of said Reception No. 328642; thence N. 38°20'00" E. along the easterly line of said Reception No. 328642 657.97 feet, also being a point on the northerly line of said Lot 3;

thence S. 86°52'50" E. along said northerly line 87.27 feet to a point of the westerly meander line of the Colorado River as established by existing meander corners found in place and the 1889 G.L.O. Plat of Township 7 South, Range 69 West, 6th P.M.;

thence continuing along said meander line the following five courses:

1.) S. 31°04'06" W. 447.51 feet;

2.) S. 12°25'06" W. 3655.26 feet to the square guarter corner of said Section 23, also being a meander corner, a B.L.M. aluminum cap in place;

3.) S. 20°18'39" W. 641.99 feet; 4.) N. 69°41'21" W. 1091.38;

5.) S. 69°39'39" W. 1660.83 feet to a meander corner on the westerly line of said Section 26, a B.L.M. aluminum cap;

thence N. 00°26'15" E. along said westerly line 958.27 feet to the True Point of Beginning:

EXCEPTING THEREFROM:

A parcel of land situated in Section 23 and Section 26; said parcel being situated southeasterly and adjacent to the southeasterly right of way of the Denver and Rio Grande Railroad right of way and being more particularly described as follows:

Commencing at the South Quarter Corner of said Section 23, a B.L.M. aluminum cap standard monument in place, said Quarter Corner also being a Meander Corner along the westerly meander line of the Colorado River as established by existing meander corners found in place and the 1889 G.L.O. Plat of Township 7 South, Range 96 West, 6th P.M.; then S. 20°18'39" W. along said meander line 456.42 feet to the True Point of Beginning;

then continuing along said meander line the following three (3) courses:

1.) S. 20°18'39" W. 185.57 feet;

2.) N. 69°41'21" W. 1091.38 feet;
3.) S. 69°39'39" W. 1553.89 feet to a point on the southeasterly right of way of the Denver and Rio Grande Railroad right of way;

then N. 39°17'37" E. along said right of way 5477.19 feet to a point on said westerly meander line;

then S. 12°25'06" W. along said meander line 866.39 feet to the centerline of the Colorado River;

then the following six (6) courses along said river:

1.) S. 18°32'48" E. 1157.33 feet; 2.) S. 00°53'55" E. 227.00 feet;

3.) S. 26° 03'12" W. 863.17;

4.) S. 00°17'34" E. 705.07 feet;

5.) S. 46°14'52" W. 258.31 feet; 6.) S. 87°28'52" W. 548.32 feet to the True Point of Beginning.

Bearings referenced hereon are relative to a bearing of N. 00°06'00" E. between the Center of Section 23, a B.L.M. aluminum cap standard monument, and the North Quarter Corner of Section 23, a G.L.O. brass cap standard monument.

The total acreage in Parcels 2 and 3 contains 184.013 acres, more or less.

BOSELY'S LEASED LANDS

Section 14: SW1/4 SE1/4 Section 23: W1/2 SW1/4 Section 27: Lot 1(20.50), N¹/₂ NE¹/₄, SW¹/₄ NE¹/₄

Excepting Therefrom: A tract of land situated in the W¹/₂ NE¹/₄, Lot 1 & 2, Section 27, beginning at a point whence the north 11/4 corner of said Section 27 bears N. 2 degrees 48' west 285 feet; thence S. 1 degrees 15' east 3676 feet; thence N. 89 degrees 16' east 157 feet; thence N. 32 degrees 35' E. 400 feet; thence N. 38 degrees 07' E. 1143 feet; thence N. 44 degrees 28' E. 476 feet; thence N. 33 degrees 04' E. 76 feet; thence N. 55 degrees 19' E. 455 feet; thence N. 49 degrees 37' W. 176 feet; thence N. 74 degrees 13' W. 121 feet; thence N. 29 degrees 09' W. 228 feet; thence N. 47 degrees 47' W. 378 feet; thence N. 51 degrees 44' W. 545 feet; thence N. 63 degrees 54' W. 289 feet; thence N. 23 degrees 35' W. 290 feet; thence N. 87 degrees 46' W. 178 feet; thence N. 22 degrees 58' W. 285 feet; thence N. 59 degrees 35' W. 248 feet to the point of beginning.

Section 22: S1/2 SE1/4 Section 23: Lot 2 (37.50), E¹/₂ NW¹/₄, SW¹/₄ NW¹/₄

BOSELY'S SURFACE INTEREST LANDS

Lots 6 (39.62), 7 (39.17), 8 (40.23), 10 (40.02), 11 (40.01), N¹/₂ SE¹/₄ Section 22: Section 27: N1/2 NW1/4

COTNER'S LANDS

Section 34 and 35: A parcel of land situated in the SE¼ of Section 34 and the SW¼ of Section 35, said parcel being more particularly described as follows:

Commencing at the Southwest Corner of Section 35, said corner being a Lava Stone found in place, the True Point of Beginning;

thence South 89°09'15" West along the Southerly line of said Section 34 153.83 feet;

thence leaving said Southerly line North 05°50'20" East 1393.96 feet to the South 1/16 Corner of Sections 34 & 35, a ³/₄" x 30" bar with 3¹/₄" cap set in place;

thence South 81°18'14" East a distance of 1203.08 feet to a rebar and cap L.S. No. 19598 set in place;

thence South 07°55'11" West a distance of 1205.83 feet to a point on the Southerly line of said Section 35, being a rebar and cap L.S. No. 19598 set in place;

thence South 89°32'00" West along said Southerly line, a distance of 1011.14 feet to the True Point of Beginning.

EXCEPT that portion of the above described parcel located in the SE¼ of Section 34, containing 2.445 acres, more or less.

Containing 32.719 acres, more or less.

GRUNSKA'S LANDS

Section 35: A parcel of land situated in the SW¼ and the SE¼ NW¼ of Section 35, said parcel being more particularly described as follows:

Commencing at the Southwest Corner of Section 35, said Corner being a Lava Stone found in place;

thence North 00°29'48" West along the Westerly line of said Section 35 a distance of 1384.51 feet to the South Sixteenth Corner of Section 34 and 35, a 34 x 30 bar and 314 cap L.S. No. 19598 set in place; thence leaving said Westerly line South $81^{\circ}18'14$ East a distance of 1203.08 feet to a rebar & cap L.S. No.

19598 set in place, the True Point of Beginning;

thence North 12°15'42" West a distance of 1600.57 feet to a point on the North line of the SW1/4 of said Section 35, a rebar and cap L.S. No. 19598 set in place;

thence South 89°50'50" East along the Northerly line of the SW1/4 of said Section 35 a distance of 448.97 feet to the West-Center Sixteenth Corner of said Section 35, a 3/4" x 30" bar and 31/4" cap L.S. No. 19598 set in place;

thence North 00°58'18" West along the Westerly line of the SE¼ NW¼ of said Section 35 a distance of 505.93 feet to a point in the Centerline of an existing draw, said point being a rebar and cap L.S. No. 19598 set in place:

thence the following six (6) courses along the Centerline of said draw;

- South 61°33'21" East 21.04 feet 1.
- South 43°21'09" East 218.50 feet 2.
- South 50°12'39" East 316.84 feet South 47°27'34" East 283.63 feet 3.
- 4.

- South 43°52'19" East 334.29 5.
- South 55°59'14" East 368.11 feet to a rebar & cap L.S. No. 19598 set in place; 6

thence leaving said Centerline South 49°55'47" West a distance of 1644.16 feet to the True Point of Beginning, AKA Lot 4 Fyrwald Exemption Plat (Unrecorded).

Containing 35.294 acres, more or less.

McNEIL'S LANDS

Section 35: A parcel of land situated in the SW1/4 and the NW1/4 SE1/4 of Section 35, said parcel being more particularly described as follows:

Commencing at the South Quarter Corner of Section 35, said corner being a Lava Stone found in place; thence North 00°09'02" West along the North-South centerline of said Section 35 a distance of 963.56 feet to a rebar and cap L.S. No. 19598 set in place, the True Point of Beginning;

thence leaving said North-South centerline North 81°18'14" West a distance of 1440.57 feet to a rebar and cap L.S. No. 19598 in place;

thence North 49°55'47" East a distance of 1644.16 feet to a point in the centerline of an existing draw, said point being a rebar and cap L.S. No. 19598 set in place;

thence the following six (6) courses along the centerline of said draw:

- 1.
- South 55°59'14" East 118.60 feet South 77°11'17" East 344.90 feet 2.
- South 61°23'11" East 409.84 feet 3.
- South 45°15'39" East 282.84 feet 4.
- 5.

South 47°15'11" East 394.08 feet South 53°27'11" East 92.77 feet to a point on the South line of the NW¼ SE¼ of said Section 35, a 6. rebar and cap L.S. No. 19598 set in place;

thence leaving said centerline South 89°35'34" West along said Southerly line a distance of 1194.54 feet to the South-Center Sixteenth Corner of said Section 35, a ³/₄" x 30" bar and 3-¹/₄" cap L.S. No. 19598 set in place;

thence South 00°09'02" East along the Easterly line of the SW¼ of said Section 35 a distance of 406.81 feet to the True Point of Beginning;

TOGETHER WITH a parcel of land being all that portion of Lot 2, Fyrwald Exemption lying Northerly of County Road No. 306; said parcel of land situated in the SW1/4 of Section 35;

LESS a parcel of land being all that portion of Lot 3, Fyrwald Exemption lying Southerly of County Road No. 306; said parcel of land situated in the SW¼ of Section 35;

AKA Lot 3 of Fyrwald Exemption Plat as shown on the Fyrwald Exemption Plat by High Country Engineering, Inc., dated September 12, 1995.

Containing 35.944 acres, more or less.

RICHARDSON'S LANDS

Section 35: A parcel of ground situated in the SW¼ of Section 35 being described in Book 1116 at Page 146 of Garfield County Records and being additionally described as follows:

Beginning at the intersection of the South line of the SW¼ of said Section 35 and the East right-of-way line for County Road 306 as described in Book 1263 at Page 253, from whence the S11/4 Corner of said Section 35 bears North 89°32'00" East 134.83 feet and considering the South line of the SW11/4 of said Section 35 bears South 89°32'00" West, with all other bearings contained herein to be relative thereto;

thence along the South line of the SW¼ of said Section 35, South 89°32'00" West 40.48 feet to the center line of County Road 306; thence continuing along the South line of the SW¼ of said Section 35, South 89°32'00" West 1167.08 feet to the W1/16 corner along the South boundary of said Section 35; thence continuing along the South line of the SW1/4 of said Section 35, South 89°32'00" West 290.83 feet to the SW corner of Lot 2 of Fyrwald Exemption Plat as recorded in Garfield County Records; thence along the West line of said Lot 2, North 07°55'11" East 1205.83 feet to the NW corner of said Lot 2; thence along the West line of Lot 3 of said Fyrwald Exemption Plat, North 49°55'47" East 184.75 feet to the South right-of-way line of said County Road 306; thence along said South right-of-way of County Road 306 the following three (3) courses;

(1) North 88°55'39" East 74.60 feet;

(2) thence 178.84 feet along a curve turning to the right with a radius of 228.46 feet and a chord that bears South 68°38'50" East 174.31 feet;

(3) thence South 46°13'19" East 197.31 feet to the North line of Lot 2 of Fyrwald Exemption Plat; thence along said North line of Lot 2, South 81°18'14" East 104.39 feet to the North right-of-way line of County Road 306; thence along said South right-of-way of County Road 306 the following three (3) courses; (1) South 46°13'19" East 269.24 feet;

(2) thence 134.41 feet along a curve turning to the left with a radius of 184.91 feet and a chord that bears South 67°02'47" East 131.47 feet;

(3) thence South 87°52'16" East 291.80 feet;

(4) thence 182.46 feet along a curve turning to the right with a radius of 203.05 feet and a chord that bears South 62°07'43" East 176.38 feet;

(5) thence South 36°23'05" East 22.58 feet;

(6) thence 60.34 feet along a curve turning to the right with a radius of 140.21 feet and a chord that bears South 24°03'18" East 59.88 feet to the East line of said Lot 2 of Fyrwald Exemption Plat; thence along said East line of Lot 2, South 00°09'06" East 488.69 feet to the North property line described in Book 1263 at Page 253; thence along said North line South 89°32'00" West 225.57 feet to the East right-of-way line for County Road 306; thence along said right-of-way, 217.57 feet along a curve turning to the left with a radius of 315.89 feet and a chord that bears South 25°19'40" East 213.29 feet to the point of beginning,

Containing 35.083 acres, more or less.

(hereinafter collectively "Application Lands

On December 22, 2004, Williams Production RMT Company, by its attorney, filed with the Commission, a verified application for an order to amend Order No. 510-1 to allow the number of wells which can be optionally drilled into and produced from the Williams Fork Formation to the equivalent of one well per 10 acres, with the permitted well to be located downhole anywhere in the drilling and spacing unit but no closer than 100 feet from the boundaries of the unit. Where these lands abut or corner lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill 10-acre density Williams Fork Formation wells, the well should be located downhole no closer than 200 feet from the boundary or boundaries of the drilling unit so abutting or cornering such lands. The applicant proposes that wells 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 unless exception is granted by the Commission pursuant to application made requesting such exception.

NOTICE IS HEREBY GIVEN, that the Oil and Gas Conservation Commission of the State of Colorado, pursuant to the above, has scheduled the above-entitled matter for hearing on:

Date:	Monday, February 14, 2005 Tuesday, February 15, 2005
Time:	9:00 a.m.
Place:	Suite 801, The Chancery Building 1120 Lincoln Street Denver, CO 80203

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Angie Gipson at (303) 894-2100 ext. 113, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than January 31, 2005, briefly stating the basis of the protest or intervention. Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and nine (9) copies shall be filed with the Commission (Rule 503.f.). Anyone who files a protest or intervention must be available to participate in a prehearing conference during the week of January 31, 2005. Pursuant to Rule 503.e., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules. In accordance with the practices of the Commission, should no protests or interventions be filed in this matter by January 31, 2005, <u>the Applicant may request that an administrative hearing be scheduled for the week of January 31, 2005</u>.

IN THE NAME OF THE STATE OF COLORADO

By_

OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

Patricia C. Beaver, Secretary

Dated at Suite 801 1120 Lincoln Street Denver, Colorado 80203 January 14, 2005 Attorney for Applicant: William A. Keefe Poulson, Odell & Peterson, LLC 1775 Sherman St., Suite 1400 Denver, CO 80203 (303) 861-4400