

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

IN THE MATTER OF THE PROMULGATION AND)	CAUSE NO. 440
ESTABLISHMENT OF FIELD RULES TO GOVERN)	
OPERATIONS IN THE GRAND VALLEY FIELD,)	DOCKET NO. 0602-EX-01
GARFIELD COUNTY, COLORADO)	

NOTICE OF CONTINUATION OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

On March 9, 1990, the Commission issued Order No. 479-1 which, among other things, established 320-acre drilling and spacing units for the production of gas from the Mesaverde Formation including the N½ of Section 1, Township 7 South, Range 96 West, 6th P. M.

On April 30, 2003, the Commission issued Order No. 440-23, which among other things, approved the S½ N½ of Section 1, Township 7 South, Range 96 West, 6th P.M. for the drilling of Williams Fork Formation wells on a ten (10) acre density basis with each permitted well to be located no closer downhole than 100 feet to the drilling and spacing unit boundary unless the exterior lands of the unit boundary have not also been granted ten (10) acre density drilling for the Williams Fork Formation, in which event the well may be located no closer downhole than 200 feet to the drilling and spacing unit boundary.

On July 14, 1999, Barrett Resources Corporation (now Williams Production RMT Company, “Williams”) commenced the drilling of the GM-42-1 Well from a location in the SE¼ NE¼ of Section 1, Township 7 South, Range 96 West, 6th P. M. and completed the well as a producer from the Williams Fork Formation. The well was not drilled directionally. Subsequently, due to the greater density of Williams Fork Formation wells being drilled in the area, Williams undertook to survey gyroscopically the entire length of each of its existing wells drilled in the general area of the drilling unit and discovered that the GM-42-1 Well had producing interval and bottom hole locations beyond the one hundred feet minimum setback requirement established by the Commission under Order No. 440-23. Following such discovery of this improper downhole location, Williams proposed a fair and reasonable formula to allocate production from the well to net revenue interest owners both within the N½ of said Section 1 and within the drilling and spacing unit which had been encroached upon, being the S½ of Section 1, Township 7 South, Range 96 West.

On December 28, 2005, Williams Production RMT Company, by its attorney, filed with the Commission a verified application for an order to allow an exception to the permitted location specified in Order No. 440-23 for the downhole location of the GM-42-1 Well located in the SE¼ NE¼ of Section 1, Township 7 South, Range 96 West, 6th P.M. The downhole producing intervals in the Williams Fork Formation range from ten (10) to sixty-two (62) feet from the boundary of the drilling and spacing unit.

On _____, filed with the Commission a request to continue this matter to the March hearing; accordingly the hearing in this matter was continued.

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, March 20, 2006
Tuesday, March 21, 2006

Time: 10:00 a.m.

Place: Ramada Inn & Suites
Aspen and Birch Rooms
124 West 6th Street
Glenwood Springs, CO 81601

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 Margaret Humecki at (303) 894-2100 ext. 139, 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 THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Patricia C. Beaver, Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
February , 2006

Attorney for Applicant:
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