

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

IN THE MATTER OF THE APPLICATION OF)	
APOLLO ENERGY, LLC FOR AN ORDER)	
ESTABLISHING SPACING AND WELL)	CAUSE NOS. 139 & 440
LOCATION RULES FOR THE WILLIAMS FORK)	
FORMATION OF THE MESA VERDE GROUP)	DOCKET NO. _____
FOR CERTAIN LANDS IN GARFIELD COUNTY,)	
COLORADO)	

AMENDED APPLICATION

Apollo Energy, LLC ("Applicant") by its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully amends its application to the Colorado Oil & Gas Conservation Commission ("Commission") for an order to amend Cause Nos. 139 and 440 to increase the number of wells which can be optionally drilled into and produced from the Williams Fork Formation of the Mesaverde Group in the following lands (Lands"):

Township 7 South, Range 95 West, 6th P.M.
Section 15: W2
Section 22: All
Garfield County, Colorado

In support of this Application, Applicant states as follows:

1. Applicant is a corporation authorized to conduct business in the State of Colorado and owns leasehold interests in all or a portion of the Lands.
2. On February 20, 1990, the Commission issued Order No. 440-11, which established 320-acre drilling and spacing units for the production of gas and associated hydrocarbons from the Mesaverde Formation for certain lands in Townships 6 and 7 South, Range 95 West, 6th P.M.
3. On April 19, 1990, the Commission issued Order No. 440-12, which added Section 15, T7S-R95W, to the area in which 320-acre drilling and spacing units were established for the production of gas and associated hydrocarbons from the Mesaverde Formation.
4. On April 20, 1990, the Commission issued Order No. 139-16, which among other things established 640-acre drilling and spacing units for Section 22, T7S-R95W, for the production of gas and associated hydrocarbons from the Mesaverde Formation.
5. On July 1, 1997, the Commission issued order No. 440-18 and 139-31, which amended prior orders to allow optional drilling of additional wells, up to 16 wells per 640-acre drilling and spacing unit in Section 22, T7S-R95W, and up to 8 wells per 320-acre drilling and spacing unit in the W2 of Section 15, T7S-R95W, for production of gas and associated hydrocarbons from the Williams Fork formation, with the downhole location of the permitted well to be located no closer than 400 feet from the boundaries of the spacing unit and no closer than 800 feet from any well producing from the same formation.

4. To promote efficient drainage within the Williams Fork formation of the Mesaverde Group, Applicant requests the Commission increase the number of wells which can be optionally produced from the Williams Fork formation in the Lands to the equivalent of one well per 10 acres, with the permitted wells to be located downhole anywhere in the drilling and spacing unit by no closer than 100 feet from the boundaries of the drilling and spacing unit.

5. Where the Lands abut or corner lands for which the Commission has not at the time of drilling permit application granted the right to drill 10-acre density Williams Fork wells, wells shall be located downhole no closer than 200 feet from the boundary of the drilling unit abutting lands for which 10 acre density downhole drilling for Williams Fork wells has not been ordered by the Commission.

6. Applicant requests the Commission allow wells drilled on the Lands to be drilled 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 an application made requesting such exception.

7. Applicant requests the Commission authorize the Director of the Commission, without additional notice and hearing, grant exceptions to well locations for good cause shown (including but not limited to surface owner requests) provided a waiver is obtained from the lease owner toward whom the well location is proposed to be moved. If a waiver cannot be obtained, then the well operator may apply to the Commission for a variance.

8. Applicant believes the spacing and well location rules (a) will allow more efficient drainage of the Williams Fork formation, (b) will not promote waste, (c) will not violate correlative rights and (d) will assure the greatest ultimate recovery of gas and associated substances from the reservoir.

9. The names and addresses of the interested parties according to the information and belief of Applicant are set forth in Exhibit A attached hereto and made a part hereof.

Applicant respectfully requests this matter be set for hearing in February, 2006, that notice be given as required by law and that upon such hearing the Commission enter its order consistent with Applicant's proposals as set forth above.

Respectfully submitted on March 22, 2006
WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: _____
Stephen J. Sullivan
821 17th Street, Suite 500
Denver, CO 80202
Telephone: 303-830-2500
Facsimile: 303-832-2366
ssullivan@wsmtlaw.com

Applicants' Contact Information:

Apollo Energy, LLC
1557 Ogden Street, Suite 300
Denver, Colorado 80218
Telephone: 303-830-0888
Facsimile: 303-830-2818

VERIFICATION

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

Lou Oswald, of lawful age, being first duly sworn upon oath, deposes and says that he is manager of Apollo Energy, LLC, that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Apollo Energy, LLC

By:_____

Subscribed and sworn to before me this _____ day of March, 2006.

Witness my hand and official seal.

Notary Public

My commission expires: _____

EXHIBIT A

WORKING INTEREST OWNERS, UNLEASED MINERAL INTEREST OWNERS AND OTHER INTERESTED PARTIES

Williams Production RMT Company
1515 Arapahoe Street, Tower 3, Suite 1000
Denver, CO 80202

Encana Oil and Gas (USA), Inc.
370 17th Street, #1700
Denver, CO 80202

Apollo Energy, LLC
1557 Ogden Suite 300
Denver, CO 80218

Williams Production RMT Company
Tower 3, Suite 1000
1515 Arapahoe Street
Denver, CO 80202

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

ABO Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

Yates Drilling Company
105 South 4th Street
Artesia, NM 88210

MYCO Industries, Inc.
105 South 4th Street
Artesia, NM 88210

Burlington Resources
5051 Westheimer
Suite 1400
Houston, TX 77056

ExxonMobil
P.O. Box 4697
Houston, TX 77210-4697

Mobil Exploration and Producing North
America, Inc.
P.O. Box 5444
Denver, CO 80217

Pioneer Natural Resources USA Inc.
1401 17th Street, Suite 1200
Denver, CO 80202

4-D Energy Incorporated
1313 North Webb Road, Suite 100
Wichita, KS 67206

Delbarco, Inc.
P.O. Box 781581
Wichita, KS 67278

Mark Bean, Garfield County Planner
Garfield County Building & Planning
108 8th Street, Suite 201
Glenwood Springs, Colorado 81601-3355

Bureau of Land Management
Attn: Wayne Bankert
2815 "H" Road
Grand Junction, Colorado 81506