

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

IN THE MATTER OF THE APPLICATION OF)
LARAMIE ENERGY, LLC) CAUSE NO.
DIVIDE CREEK FIELD)
MESA COUNTY AND GARFIELD)
COUNTIES, COLORADO) DOCKET NO. ____

VERIFIED APPLICATION

COMES NOW, the Applicant, Laramie Energy, LLC, by and through its attorneys, Poulson, Odell & Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order to vacate the spacing in certain designated drilling and spacing units in the Divide Creek Field in Garfield County, Colorado. In support thereof, Laramie Energy, LLC states as follows:

APPLICATION LANDS

I

Applicant is the owner of interests in oil and gas leases in part or all of the following described spacing units in the Divide Creek Field established for production of gas from the Cretaceous Mesaverde Formation from sections identified as the Upper, Middle and Lower Divide Creek pay zones:

: Township 7 South, Range 91 West, 6th P.M.
Section 13: All
Section 14: All
Section 15: All
Section 23: All
Section 24: All
Section 25: All
Section 26: All
Section 27: All
Section 28: All
Section 29: All
Section 35: All

The lands described above are referred to as Application Lands.

EXISTING ORDERS

II

In Cause No. 143, Order No. 143-1 dated April 26, 1960, the Oil and Gas Conservation Commission established drilling units for the Divide Creek Field for production of gas from the Cretaceous Mesaverde Formation from sections identified as the Upper, Middle, and Lower Divide Creek pay zones. The order establishes 640-acre drilling and spacing units in the Application Lands, among other lands. The order provides that the permitted well in each drilling unit be no closer than 3,750 feet to the nearest well drilling to or capable of production from the Mesaverde Formation, and not closer than 900 feet to the boundaries of the drilling unit upon which it is located.

By Cause No. 143, Order No. 143-2 (corrected) dated December 11, 1989, as of November 20, 1989, the Oil and Gas Conservation Commission modified Order No.

143-1 to delete complete sections or parcel sections of land from the provisions of Order No. 143-1. None of the Application Lands are deleted from the provisions of Order No. 143-1. None of the Application Lands are deleted from the provisions of Order No 143-1 by Order No. 143-2 (corrected). The deleted lands are those located in the Divide Creek Unit.

In Cause No. 143. Order No. 143-3 dated February 28, 1990, as of February 20, 1990, the Oil and Gas Conservation Commission amended the lands subject to Order No. 143-1, as amended by Order No. 143-2 (corrected), to delete certain specified lands from the provisions of Order No. 143-1, as amended by Order No. 143-2 (corrected). None of the Application Lands are deleted from the provisions of Order No. 143-1, as amended by Order No. 143-2 (corrected).

The Application Lands remain subject to terms and provisions of Order No. 143-1, as amended by Order No. 143-2 (corrected), and Order No. 143-3.

GARFIELD II UNIT

III

The records of the Colorado State Office of the Bureau of Land Management reflect that the following described lands are included within the Garfield II Unit:

Township 7 South, Range 91 West, 6th P.M.
Section 14: S/2 SW/4
Section 23: NW/4
Section 24: SE/4 SW/4
Section 25: W/2 NE/4, SE/4 NE/4, W/2, W/2 SE/4
Section 26: All
Section 27: NE/4, NE/4 NW/4, S/2 NW/4, S/2
Section 34: N/2 NE/4, NE/4 NW/4
Section 35: N/2 N/2

The Garfield II Unit was established April 13, 1977 covering the lands described above, among other lands. The Garfield II Unit was contracted to the lands described above effective as of July 21, 1983.

In accordance with practice, it is expected that the Oil and Gas Conservation Commission will suspend the lands included in the Garfield II Unit from the provisions of Order No. 143-1, as amended, Order No. 143-2 (corrected), and by Order No. 143-3, until such time as they are removed from the Garfield II Unit.

APPLICATION

Laramie Energy, LLC request by their application that Order No. 143-1, Order No. 143-2 (corrected), and Order No. 143-3 be vacated as to the Application Lands for the reasons stated below.

IV

Based upon the records of the Oil and Gas Conservation Commission, the following wells have been drilled in the Application Lands, or in the Garfield II Unit, with the location of the well and the status of the well identified below:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>	<u>Status</u>
Rifle-Boulton #1	05-045-06127	NW/4 NW/4 of Section 23	Producing
Rifle-Walton #25-2	05-045-06290	SE/4 NW/4 of Section 25	Producing
Federal #26-3	05-045-06213	NW/4 SW/4 of Section 26	Producing

Garfield II-Federal #6-27-7-91	05-045-06390	NE/4 SW/4 of Section 27	PA
Hoffmeister Fee #28-1A	05-045-06182	NE/4 NE/4 of Section 28	DA
Divide Creek-North Gov. UN #1	05-045-05202	NE/4 SE/4 of Section 29	PA

Of the wells described above, the Rifle-Boulton #1, the Rifle-Walton #25-2, and the Federal #26-3 wells are located in the Garfield II Unit. There are no producing wells in any part of the Application Lands outside of the Garfield II Unit.

As to Application Lands not included in the Garfield II Unit, no drilling activity has been conducted on or production established. Except as to lands in the Garfield II Unit, the existing spacing of the Application Lands has not resulted in development of those lands for the production of oil from the Mesaverde Formation.

V

Vacation of Cause No. 143-1, Cause No. 143-2, and Cause No. 143-3 with respect to the Application Lands will not affect correlative rights of any parties. The only producing wells in the Application Lands are located in the Garfield II Unit. As to each such well, the ownership of the well and production from the well is established by the Garfield II Unit and the Unit Operating Agreement for the Garfield II Unit. Vacation of the spacing will not affect the ownership of the wells and production from the wells located in the Garfield II Unit.

As to the Application Lands not included in the Garfield II Unit, there are no producing wells. Vacation of Cause No. 143-1, Cause No. 143-2, and Cause No. 143-3 will not affect the correlative rights of any parties as to lands outside of the Garfield II Unit.

VI

Conservation of the time and resources of the Commission will be served if Order No. 143-1, Order No. 143-2 (corrected), and Order No. 143-3 are vacated as to the Application Lands. A suspension of the provisions of Order No. 143-1, Order No. 143-2, and Order No. 143-3 as to lands included in the Garfield II Unit will result in the creation of irregular shaped drilling units of less than the designated 640-acre sections. Exceptions to existing orders likely will be required for development in these sections. In addition, applications to increase density in the Mesaverde formation will be reduced if the orders are vacated.

VII

To prevent waste, to protect correlative rights, to ensure the proper and efficient development of the Mesaverde Formation, and to ensure the greatest recovery of gas and associated hydrocarbons from the Mesaverde Formation, applicant requests that, after notice and hearing as provided by law, the Commission issue its order providing that the Application Lands should be deleted from Order No. 143-1, Order No. 143-2 (corrected), and Order No. 143-3, and that further development of the Application Lands be subject to the rules and regulations of the Oil and Gas Conservation Commission.

GENERAL PROVISIONS

VIII

Applicant states that to the best of its information and belief Exhibit A attached to this Verified Application is the list of the names of owners required to be notified in accordance with Commission Rule 507 covering the Application Lands.

IX

WHEREFORE, Applicant respectfully requests that this matter be set for hearing by the Commission; that notice hereof be given as required by law; and that upon hearing this Commission issue its order granting this Application as requested. Applicant further requests that the Commission in its order grant such other provisions as the Commission may find to be necessary or desirable in the cause.

DATED this 22nd day of November, 2005.

Respectfully submitted,

Laramie Energy, LLC

BY: _____

Carleton L. Ekberg, Esq.
Poulson, Odell & Peterson, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
(303) 861-4400

Applicant's Address:

Laramie Energy, LLC
1512 Larimer Square
Suite 1000
Denver, Colorado 80202

VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

Patricia A. Kacerguis, Operations Administration Manager of Laramie Energy, LLC, upon oath, deposes and says that she has read the foregoing Verified Application before the Oil and Gas Conservation Commission of the State of Colorado, and states that the matters contained therein are true to the best of her knowledge and belief.

Patricia A. Kacerguis

Subscribed to and sworn to before me this _____ day of November, 2005 by
Patricia A. Kacerguis, Operations Administration Manager of Laramie Energy, LLC.

My Commission expires:

Notary Public

Address

EXHIBIT A

Attached and made a part of the Verified Application of
Laramie Energy, LLC in Cause No. 143

Laramie Energy, LLC 1512 Larimer Street, Suite 1000 Denver, CO 80202	Maralex Resources, Inc. 775 Goddard Avenue Ignacio, CO 81137	Great Northern Gas Company 621 17th Street, Suite 2150 Denver, CO 80202
Bill Barrett Corp. 1099 18th Street, Suite 2300 Denver, CO 80202	EnCana Oil & Gas (USA), Inc. 370 17th Street, Suite 700 Denver, CO 80202	KLT Gas, Inc. 2202 Timberloch Pl., Suite 222 The Woodlands, TX 77380
Windsor Castle Springs, LLC 14313 N. May Ave., Suite 100 Oklahoma City, OK 73134	United States Dept. of the Interior BLM 2850 Youngfield Street Lakewood, CO 80215	Barry L. Stout 2000 Baldy Creek Road New Castle, CO 81647
Gene R. Hilton 2102 W. Arapahoe Drive Littleton, CO 80120	William Inderrieden 5780 #1 Powerline Road Fort Lauderdale, FL 33309	John McCormack, Engle E. Saez 0268 Mt. Laurel Dr. Aspen, CO 81611
June & John Stuart Rogers Family 1992 Trust 5101 Mountain View Rd Hughson, CA 95326-9388	Linda K. Jackson 6000 CR 313 New Castle, CO 81647	Lori M. Jackson 225 S. Bishop San Angelo, TX 76901
Brett C. Jackson 5403 86th Street Lubbock, TX 79424	Bradley D. Jackson 1227 Newberry Drive Allen, TX 75013	David A. Russell 385 Apple Drive New Castle, CO 81647
Jerry D. Jones 9309 Indian School Rd., #18NE Albuquerque, NM 87112	Vernon Dedissee Jr. 1655 W. 113th Denver, CO 80234	Barney Oldfield No Address of Record
Sandra K. & James P. Irvine 420 W. 4th Street Rifle, CO 81650	Eric R. Wahl 641 Colorado Avenue Carbondale, CO 81623	Lynn Rowland 821 N. Traver Trail Glenwood Springs, CO 81601
Brian Bark 7228 CR 313 New Castle, CO 81647	Daniel & Florence McCullough 25 Enclosure Nutley, NJ 07110	Kenneth & Shirley Hutchings 99 W. Sunlight Ct. Glenwood Springs, CO 81601
Barbara Bliss 4908 154 Road Glenwood Springs, CO 81601	Sue D. Bookman 7800 Highway 82 Glenwood Springs, CO 81601	Martin Landrum & Shiri Hunter PO Box 623 Silt, CO 81652
Samuel Taylor, Jr. 0383 County Road 167 Glenwood Springs, CO 81601	Brad & Diana Mollman 0105 Midvalley Drive New Castle, CO 81647	James & Paula York 6766 County Road 313 Silt, CO 81652
Leslie Eugene Alexander 8528 W 10th Avenue Lakewood, CO 80215-4803	Rebecca Dunbar Allison 370 Harlan Street Lakewood, CO 80226	Peggy Alexander Dunbar 2235 Marshall Street Denver, CO 80214

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James Lang Alexander
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Silt, CO 81652

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Casper, WY 82609

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Charlottesville, VA 22901

Imperial Oil Co. of California
22499 Imperial Valley Drive
Houston, TX 77073-1173

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Casper, WY 82601-3813

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Greenfield, MA 01301

Black Stone Minerals Company LP
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Mesquite, TX 75181

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