

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 NO. 139
LOCATION RULES FOR THE WILLIAMS FORK	)	
FORMATION OF THE MESA VERDE GROUP	)	DOCKET NO. 0603-SP-12
FOR CERTAIN LANDS IN GARFIELD COUNTY,	)	
COLORADO	)	

**AMENDED APPLICATION**

Apollo Energy, LLC ("Applicant") by its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully applies to the Colorado Oil & Gas Conservation Commission ("Commission") for an order establishing 40-acre drilling and spacing units for the production of gas and associated substances from the Williams Fork formation, and establishing spacing rules and well location rules applicable to the drilling and producing of wells from the Williams Fork formation of the Mesaverde Group covering the lands described in Exhibit A to this Application (the "Lands"). In support of this Application, Applicant states as follows:

1. Applicant is a corporation authorized to conduct business in the State of Colorado.
2. Applicant owns leasehold interests in all or a portion of the Lands.
3. The Lands are unspaced and subject to Commission Rule 318.
4. To promote efficient drainage within the Williams Fork formation of the Mesaverde Group, Applicant requests the Commission establish 40-acre drilling and spacing units for the production of gas and associated substances from the Williams Fork formation in the Lands, allowing the number of wells which can be optionally produced from the Williams Fork formation to the equivalent of one well per 20 acres, with the permitted wells to be located downhole anywhere in the drilling and spacing unit by no closer than 200 feet from the boundaries of the drilling and spacing unit and no closer than 400 feet from any existing Williams Fork formation well, without exception being granted by the Director.
5. 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 Director pursuant to an application requesting such exception.
6. Applicant requests the Commission authorize the Director, 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.

7. Applicant believes the spacing and well location rules (1) will allow more efficient drainage of the Williams Fork formation, (2) will not promote waste, (3) will not violate correlative rights and (4) will assure the greatest ultimate recovery of gas and associated substances from the reservoir.

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

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

Respectfully submitted on March 9, 2006.

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: \_\_\_\_\_  
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Brian S. Tooley  
821 17<sup>th</sup> Street, Suite 500  
Denver, CO 80202  
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Facsimile: 303-832-2366  
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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 Amended 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 9th day of March, 2006.

Witness my hand and official seal.

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

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

**EXHIBIT A**  
**DESCRIPTION OF LANDS**

Township 8 South, Range 96 West, 6th P.M.

Section 3: N2SW

Section 4: E2SE

Garfield County, Colorado

**EXHIBIT B**  
**WORKING INTEREST OWNERS, UNLEASED MINERAL**  
**INTEREST OWNERS AND OTHER INTERESTED PARTIES**

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

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

Encana Oil & Gas  
555 17<sup>th</sup> Street, Suite 1850  
Mail: 370 17<sup>th</sup> Street, Suite 1700  
Denver, CO 80202

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

Myco Industries, Inc.  
105 S. 4<sup>th</sup> Street  
Artesia, NM 88210

ABO Petroleum Corporation  
105 S. 4<sup>th</sup> Street  
Artesia, NM 88210

Yates Drilling Company  
105 S. 4<sup>th</sup> Street  
Artesia, NM 88210

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