

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

IN THE MATTER OF THE APPLICATION OF LARAMIE ENERGY II, LLC FOR AN ORDER OF THE COMMISSION ALLOWING TEN ACRE DENSITY DRILLING FOR THE ILES FORMATION OF THE MESAVERDE GROUP UNDERLYING CERTAIN DESCRIBED LANDS IN TOWNSHIP 6 SOUTH, RANGE 93 WEST IN THE RULISON FIELD AREA, GARFIELD COUNTY, COLORADO

CAUSE NO:

DOCKET NO: _____

APPLICATION

COMES NOW, Laramie Energy II, LLC ("Applicant"), by its attorneys, Fulbright & Jaworski L.L.P., and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order establishing well location and setback rules applicable to the drilling and producing of wells from the Iles Formation of the Mesaverde Group underlying certain described lands in the Rulison Field area, Garfield County, Colorado and in support of its application states and alleges as follows:

1. That Applicant is a limited liability company duly authorized to conduct business in the State of Colorado.

2. That Applicant owns oil and gas leases covering a substantial portion of the following described lands (hereinafter "Application Lands"):

Township 6 South, Range 93 West, 6th P.M.

Section 19: W/2

3. That the Application Lands were designated as a 320 acre drilling and spacing unit for the Mesaverde Formation under the Commission's Order 139-14 dated February 20, 1990. and that, under the Commission's Order 139-47, the Application Lands were approved for 10 acre density drilling for the Williams Fork Formation.

4. That some wells have been drilled, tested and completed in the Iles Formation in the general vicinity of the Application Lands.

5. That to promote efficient drainage and development within both the Williams Fork Formation and Iles Formation of the Mesaverde Group, the Commission should increase the number of wells which can be optionally drilled into and produced from the Iles Formation of the Application Lands to the equivalent of one well per ten (10) acres.

6. That as to the Application Lands, the Commission should allow all future Williams Fork Formation and Iles Formation wells drilled thereon to be located downhole anywhere upon the drilling unit but no closer than 100 feet from the outside boundary of the drilling unit unless such boundary abuts or corners lands in respect of which the Commission has not at the time of

the drilling permit application granted the right to drill 10-acre density wells for the Williams Fork Formation in which event the Williams Fork Formation and Iles Formation wells to be drilled upon the Application Lands should be drilled downhole no closer than 200 feet from that portion of the boundary which so abuts or corners the lands in respect of which 10-acre density downhole drilling for Williams Fork Formation wells has not been ordered by the Commission.

7. That, except as previously authorized by order of the Commission, wells to be 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 (or lots or parcels approximately equivalent thereto) unless exception is granted by the Colorado Oil and Gas Conservation Commission pursuant to application made for such exception.

8. That all wells drilled to the Iles Formation will be drilled only in connection with the drilling of Williams Fork Formation wells.

9. The granting of this application will not promote waste; will not violate correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoir.

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

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in June, 2008, that notice be given as required by law and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

DATED this 21st day of April, 2008.

Respectfully submitted:

Laramie Energy II, LLC

By:

William A. Keefe
Fulbright & Jaworski L.L.P.
370 17th Street, Suite 2150
Denver, Colorado 80202
Telephone No.: (303) 801-2700
Facsimile No.: (303) 801-2777

Applicant's Address

Laramie Energy II, LLC
1512 Larimer Street, Suite 1000
Denver, CO 80202

VERIFICATION

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

Mark R. Petry, of lawful age, being first duly sworn upon oath, deposes and says that he is the Director of Business Development and Land Administration for Laramie Energy II, LLC and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

By: _____
Mark R. Petry

Subscribed and sworn to before me this 21st day of April, 2008.

Witness my hand and official seal.

Notary Public

IN THE MATTER OF THE APPLICATION OF LARAMIE
ENERGY II, LLC FOR AN ORDER OF THE COMMISSION
ALLOWING TEN ACRE DENSITY DRILLING FOR THE ILES
FORMATION OF THE MESAVERDE GROUP UNDERLYING
CERTAIN DESCRIBED LANDS IN TOWNSHIP 6 SOUTH,
RANGE 93 WEST IN THE RULISON FIELD AREA, GARFIELD
COUNTY, COLORADO

DOCKET NO: _____

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

That he is the attorney for Laramie Energy II, LLC, that on April 21, 2008, he caused a copy of the attached Application in the subject docket to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Witness my hand and official seal.

4

EXHIBIT A

ABO Petroleum Corporation
Myco Industries, Inc.
Yates Drilling Company
Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

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Myco Industries, Inc.
Yates Drilling Company
Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

Quantum Resources
1775 Sherman Street
Tower 1, Suite 1525
Denver, CO 80203

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

Apollo Energy, LLC
1557 Odgen Street, Suite 300
Denver, CO 80218

Mark Petry
Laramie Energy II, LLC
1512 Larimer Street, Suite 1000
Denver, CO 80202

Laramie Energy II, LLC
601 28-1/4 Road, Suite D
Grand Junction, CO 81506
Attn: T. Rutledge

Judith H. Jordan
Garfield County
144/e, 3rd Street, Suite 203
Rifle, CO 81650

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