

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

IN THE MATTER OF THE APPLICATION OF LARAMIE
ENERGY II, LLC FOR AN ORDER ESTABLISHING
SPACING AND WELL LOCATION RULES FOR THE
WILLIAMS FORK AND ILES FORMATIONS OF THE
MESAVERDE GROUP FOR CERTAIN DESCRIBED
LANDS IN THE RULISON FIELD AREA, GARFIELD
COUNTY, COLORADO

CAUSE NO. 139

DOCKET NO.

APPLICATION

COMES NOW Laramie Energy II, LLC ("Applicant"), by its attorneys, Poulson, Odell and Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order establishing spacing rules and well location rules applicable to the drilling and producing of wells from the Williams Fork and Iles Formations of the Mesaverde Group covering 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 duly authorized to conduct business in the State of Colorado.
2. That Applicant owns leasehold interests in a substantial portion of the following described lands:

Township 8 South, Range 93 West, 6th P.M.

Section 5: Lots 5-14, S/2N/2, NE/4SE/4, Tract 39 , that part of Tract 40 lying in Section 5 and Tract 41

(hereinafter "Application Lands")

3. That the Application Lands currently are unspaced and subject to the Commission's Rule 318.
4. That Applicant believes it appropriate that the Commission establish an approximate 657 acre drilling and spacing unit covering these unspaced lands for the Williams Fork Formation and the Iles Formation of the Mesaverde Group.
5. That multiple wells have been drilled, tested and completed in the Williams Fork Formation of the Mesaverde Group upon lands in the immediate vicinity of the Application Lands. Some wells also have been drilled to the Iles Formation in the general area of the Application Lands.
6. That to promote efficient drainage within 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 Williams Fork Formation and Iles Formation of the Application Lands to the equivalent of one well per ten (10) acres.

7. That as to all future Williams Fork wells and Iles Formation wells to be drilled upon the requested approximate 657 acre drilling and spacing unit constituting the Application Lands, the wells should be located downhole anywhere in the unit but no closer than 100 feet from the boundaries of the unit without exception being granted by the Director of the Oil and Gas Conservation Commission. It is provided however that in cases where a unit abuts or corners lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill ten (10) acre density Williams Fork Wells, the well should be located downhole no closer than 200 feet from the boundary or boundaries of the drilling unit so abutting or cornering such lands without exception being granted by the Director of the Oil and Gas Conservation Commission.

8. 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 Director of the Oil and Gas Conservation Commission pursuant to application made for such exception.

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

11. 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.

11. 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 March, 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: February _____, 2008.

POULSON, ODELL AND PETERSON, LLC

By: _____
William A. Keefe
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
(ph) 303-861-4400
(fax) 303-861-1225

VERIFICATION

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

Mark R. Petry, of lawful age, being first duly sworn upon oath, deposes and says that he is a 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.

Mark R. Petry

Subscribed and sworn to before me this _____ day of February, 2008.

Witness my hand and official seal.

My commission expires:

Notary Public

EXHIBIT A

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

Judith H. Jordan

Garfield County
144 E. 3rd St., Suite 203
Rifle, CO 81650

Mark R. Petry

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

William A. Keefe

POULSON, ODELL & PETERSON, LLC
1775 Sherman St., Suite 1400
Denver, CO 80203

Garfield County

Garfield County Board of County Commissioners
108 East 8th Street, Suite 219
Glenwood Springs, CO 81601

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LARAMIE ENERGY II, LLC FOR AN ORDER
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RULES FOR THE WILLIAMS FORK FORMATION
AND ILES FORMATION OF THE MESAVERDE
GROUP FOR CERTAIN DESCRIBED LANDS IN
THE RULISON FIELD AREA, GARFIELD COUNTY,
COLORADO

CAUSE NO.

DOCKET NO.

AFFIDAVIT OF MAILING

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

William A. Keefe of lawful age, and being first duly sworn upon his oath, states and declares:

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

William A. Keefe

Subscribed and sworn to before me February _____, 2008.

Witness my hand and official seal.

My commission expires: July 22, 2011.

Notary Public