

**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  
DENSITY AND WELL LOCATION RULES FOR THE  
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 well density and well location rules applicable to the drilling and producing of wells from the 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 6 South, Range 93 West, 6<sup>th</sup> P.M.

Section 29: All (640 acres)

(hereinafter "Application Lands")

3. That the Application Lands were established as a 640 acre drilling unit for the Mesaverde Formation under the Commission's Order 139-16. Also the Application Lands were approved for 10 acre density drilling for the Williams Fork Formation of the Mesaverde Group under the Commission's Order 139-47.

4. That some wells have been drilled to the Iles Formation in the general area of the Application Lands.

6. That to promote efficient drainage within the 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.

7. That as to all future Iles Formation wells to be drilled upon the Application Lands, the wells should be located downhole anywhere within the Application Lands but no closer than 100 feet from a lease line or the boundaries of the Application Lands without exception being granted by the Director of the Oil and Gas Conservation Commission. It is provided however that in cases where the Application Lands abut or corner 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 Application Lands 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. That 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.

12. That Applicant agrees to comply with the terms and provisions of the Helmer Gulch Implementation Plan and the Well Cementing Procedure and Reporting Requirements in the Notice to Operators Drilling Mesaverde Group of Deeper Wells in the Mamm Creek Field Area dated July 23, 2004 which are incorporated by reference herein.

13. 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 May, 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: March\_\_\_\_\_, 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 March, 2008.

Witness my hand and official seal.

My commission expires:

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

**EXHIBIT A**

**NOTICED PARTIES,**  
**ILES FORMATION10 acre Density Hearing**

**6S-93W, 6<sup>TH</sup> P.M.**  
**Section 29: ALL**

**Adjacent Working Interest or Un-leased Interests within one-fourth of one mile of subject**  
**lands**  
**as of February 25, 2008**

**EnCana Oil & Gas (USA) Inc.**  
370 17<sup>th</sup> Street, Suite 1700  
Denver, CO 80202

**Yates Petroleum Corporation**  
**Yates Drilling Company**  
**ABO Petroleum Corporation**  
**Myco Industries, Inc.**  
105 South 4<sup>th</sup> Street  
Artesia, New Mexico 88210

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

**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

**Antero Resources Piceance Corporation**  
1625 17<sup>th</sup> Street, Suite 300  
Denver, CO 80202

**Roland Paul McKee and Pamela S. McKee**, husband and wife,  
8708 County Road 320,  
Rifle, CO 81650

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

**William A. Keefe**  
Poulson, Odell & Peterson LLC  
1775 Sherman Street, Suite 1400  
Denver, CO 80203

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

**Bureau of Land Management**  
ATTN: Karen Zurek  
2850 Youngfield Street  
Lakewood, CO 80215

**T.E. McClintock T/W fbo Elizabeth M. Nikoloric,**  
**Colorado State Bank and Trust, N.A.,**  
**Trustee**  
P.O. Box 1588  
Tulsa, OK 74101

**T.E. McClintock T/W fbo Mary M. Swift**  
**U.S. Bank, N.A. Trustee**  
P.O. Box 17532  
Denver, CO 80217

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LARAMIE ENERGY II, LLC FOR AN ORDER  
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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 March\_\_\_\_, 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.

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William A. Keefe

Subscribed and sworn to before me March \_\_\_\_\_, 2008.

Witness my hand and official seal.

My commission expires: July 22, 2011.

Notary Public