

**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
WILLIAMS FORK AND ILES FORMATIONS OF THE
MESAVERDE GROUP FOR CERTAIN DESCRIBED
LANDS IN THE RULISON FIELD AREA, GARFIELD
COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

COMES NOW Laramie Energy II, LLC ("Applicant"), by its attorneys, Beatty & Wozniak, P.C., 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 Williams Fork Formation 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 7 South, Range 93 West, 6th P.M.

Section 18: Lot 2 (39.99 acres), Lot 3 (39.95 acres), Lot 4 (39.90 acres),
SE/4NW/4, NE/4SW/4, NW/4SE/4, and NE/4SE/4

Township 7 South, Range 94 West, 6th P.M.

Section 13: Lot 2 (39.14 acres), Lot 3 (39.48 acres), Lot 4 (39.83 acres), W/2SE/4,
SW/4NE/4

Garfield County

containing approximately 518.29 acres

(hereinafter "Application Lands")

3. The Application Lands are governed by Rule 318.a. which established that a well to be drilled in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil and gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

4. That multiple wells have been drilled, tested and completed in the Williams Fork Formation in the vicinity of the Application Lands and some wells have also been drilled to the Iles Formation in the general area of the Application Lands.

5. That to promote efficient drainage within the Williams Fork Formation and Iles Formation of the Mesaverde Group of the Application Lands, the Commission should increase the number of wells which can be optionally drilled into and produced from the Williams Fork and Iles Formations 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 Application Lands but no closer than 100 feet from the boundaries of a lease line or the outside boundaries of the Application Lands unless such boundary abuts or corners lands in respect of which the Commission has not at the time of drilling permit application granted the right to drill 10 acre density wells for the Williams Fork Formation in which event the Williams Fork 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, without exception being granted 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 Director of 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 on Exhibit A attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in September, 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: August ____, 2008.

BEATTY & WOZNIAK, P.C.

By: _____
William A. Keefe
216 Sixteenth St, Suite 1100
Denver, Colorado 80202-5110
(ph) 303-407-4475

Applicant's Address
Laramie Energy II, LLC
1512 Larimer Street, Suite 1000
Denver, CO 80202

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 August, 2008.

Witness my hand and official seal.

My commission expires:

Notary Public

EXHIBIT A

NOTICE LIST

EnCana Oil & Gas (USA) Inc.
370 17th Street, Suite 1700
Denver, CO 80202

Williams Production RMT Company
attn: Joe Barrett
Tower 3, Suite 1000
1515 Arapahoe Street
Denver, CO 80202

EnCana Oil & Gas (USA) Inc.
370 17th St., Suite 1700
Denver, CO 80202

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

Transcontinent Oil Company
621 17th Street, Suite 1555
Denver, CO 80293

Bureau of Land Management
Attn: Marty O'Mara
2425 South Grand Ave., Suite 101
Glenwood Springs, Colorado 81601

Judith H. Jordan
Garfield County
0375 County Road 352, Bldg 2060
Rifle, CO 81650

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

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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 or before August ____, 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 August _____, 2008.

Witness my hand and official seal.

My commission expires:

Notary Public