

**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 VACATING EXISTING 40 ACRE DRILLING AND SPACING UNITS; ESTABLISHING AN APPROXIMATE 131.87 ACRE DRILLING AND SPACING UNIT FOR THE WILLIAMS FORK AND ILES FORMATIONS OF THE MESAVERDE GROUP AND AUTHORIZING TEN ACRE DENSITY DRILLING FOR THE WILLIAMS FORK AND ILES FORMATIONS OF THE MESAVERDE GROUP FOR SUCH APPROXIMATE 131.87 ACRE DRILLING AND SPACING UNIT LOCATED IN THE RULISON FIELD AREA, GARFIELD COUNTY, COLORADO

CAUSE NO. 139

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 spacing rules for the Williams Fork and Iles Formations of the Mesaverde Group and well density 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 7 South, Range 94 West, 6th P.M.

Section 18: Lot 1 (26.34 acres), Lot 2 (25.53 acres), S/2NE/4

(containing approximately 131.87 acre and hereinafter referred to as the "Application Lands")

3. That the Application Lands are subject to the Commission's Order 139-73 dated May 10, 2007 which established approximate 40 acre drilling and spacing units for all of Section 18 in Township 7 South, Range 94 West, 6th P.M. Said order also permitted ten acre density drilling upon said approximate 40 acre drilling and spacing units for the Williams Fork and Iles Formations of the Mesaverde Group.

4. That Applicant requests that the Application Lands be constituted as one drilling and spacing unit for these formations so that ten (10) acre density wells may be located downhole without regard for interior setback limitations thus allowing more efficient development of the resources. This would necessitate vacating Order 130-73 as it applies to the establishment of 40-acre units covering the Application Lands.

5. That Applicant requests that ten (10) acre density drilling continue to be authorized for the Application Lands for the Williams Fork Formation and Iles Formation with wells allowed to be located downhole anywhere within the drilling unit but no closer than 100 feet from the boundary or 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 the drilling and spacing unit constituting the Application Lands 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 unit so abutting or cornering such lands without exception being granted by the Director of the Oil and Gas Conservation 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 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, 2010, 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: April ____, 2010.

BEATTY & WOZNIAK, P.C.

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

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 Vice President of Business Development 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 April, 2010.

Witness my hand and official seal.

My commission expires:

Notary Public

EXHIBIT A
NOTICE LIST

Noble Energy, Inc.
1625 S. Broadway, Suite 2200
Denver, CO 80202

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

Savage Resources, LLC
910 16th Street, #201
Denver, CO 80202

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

Judith H. Jordan
Garfield County
375 County Road 352, Bldg 2060
Rifle, CO 81650-8412

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

Kent Kuster
Colorado Department of
Public Health & Environment
4300 Cherry Creek Drive South
Denver, CO 80246-1530

Kim Kaal
Colorado Division of Wildlife
6060 Broadway
Denver, CO 80216

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

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FORK AND ILES FORMATIONS OF THE
MESAVERDE GROUP AND AUTHORIZING TEN
ACRE DENSITY DRILLING FOR THE WILLIAMS
FORK AND ILES FORMATIONS OF THE
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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 April _____, 2010, 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 April _____, 2010.

Witness my hand and official seal.

My commission expires:

Notary Public