

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

IN THE MATTER OF THE APPLICATION OF)	
LARAMIE ENERGY II, LLC TO ESTABLISH AN)	Cause No. 139
200.04-ACRE SPACING UNIT IN AND POOL)	
NON-CONSENTING WORKING INTEREST)	Docket No.
OWNERS IN GARFIELD COUNTY, COLORADO)	

APPLICATION

Laramie Energy II, LLC ("Applicant"), by and through its attorneys, requests the Colorado Oil & Gas Conservation Commission ("Commission") establish a 200.04-acre spacing unit for production of oil, gas and associated hydrocarbons from the Williams Fork formation in the following lands ("Lands"):

Township 7 South, Range 93 West, 6th P.M.
Section 18: Lot 1(40.04), NENW, W2NE, NENE
Containing 200.04 acres, more or less
Garfield County, Colorado

Applicant further requests the Commission enter an order pooling all non-consenting interests for the drilling and completion of wells drilled in the Williams Fork formation in the proposed 200.04-acre spacing unit described above. A map of the Lands is attached as Exhibit A. Exhibit B lists all of the working interest and mineral owners in the Lands, as required by Rule 507(b)(1-2).

In support of this application, Applicant states as follows:

1. Applicant owns leasehold working interests in the Lands, including the lands sought to be pooled in this application.
2. By Order 139-76, the Commission established an allowable drilling density of the equivalent of one (1) well per 10 acres for the production of oil, gas or associated hydrocarbons from the Williams Fork formation in the Lands. The Commission did not establish spacing units for the Lands.
3. Pursuant to C.R.S. §34-60-116(4) the Commission is authorized to establish spacing units to prevent or assist in preventing waste and the drilling of unnecessary wells. Geological and engineering data acquired by Applicant indicates the Williams Fork formation underlying the Lands can be efficiently and economically developed utilizing a 200.04-acre production unit.
4. Applicant requests the Commission establish a spacing unit for the Williams Fork formation underlying the Lands. Applicant will abide by the requirements set forth in Order 139-76 as they pertain to the density and location of wells within the proposed spacing unit.
5. Williams Production RMT Company ("Williams") owns separate working interests within the spacing unit proposed to be pooled. Applicant has offered Williams the option to participate in drilling the well proposed to be drilled in the proposed unit, but to date Williams has refused to participate by bearing its proportionate share of the costs and risks of drilling and operating the proposed well. More than thirty (30) days prior to the date of hearing on this Application, Applicant sent Williams an authorization for expenditure ("AFE") containing information

regarding this well as required by COGCC Rule 530.a. Applicant also sent Williams a joint operating agreement (JOA) to set forth and control the respective rights and obligations of Laramie and Williams, as co-working interest owners. A copy of the latest AFE and JOA that was sent to Williams is attached as Exhibit C.

6. Due to a title irregularity between Williams and Exxon Mobil Corp. ("Exxon"), Williams' predecessor in title, Exxon may still have an ownership interest in the Lands. Applicant has advised Williams of this issue in a previous attempt to have Williams enter into an AFE and JOA for the drilling and development of the Lands. Applicant has offered Exxon the option to participate in drilling the proposed well, but to date Exxon has refused to participate by bearing its proportionate share of the costs and risks of drilling or operating the proposed wells. More than thirty (30) days prior to the date of hearing on this Application, Applicant sent Exxon an AFE containing information regarding this well as required by COGCC Rule 530.a. Applicant also sent Exxon JOA to set forth and control the respective rights and obligations of Laramie and Exxon, as co-working interest owners. A copy of the AFE and JOA that was sent to Exxon is attached as Exhibit C.

7. With respect to the non-consenting owner of working interests listed on Exhibit B, Applicant has made reasonable attempts pursuant to COGCC Rule 530.b. to provide an AFE and enter into a reasonable JOA with such parties but as of yet has not been successful in such attempts.

8. To prevent waste, protect correlative rights and in the best interests of conservation, Applicant respectfully requests that the Commission enter an order pooling the proposed spacing unit, as it pertains to the Williams Fork formation.

9. Applicant believes that granting this application would (1) not be prejudicial to the owners in the Lands; (2) maintain and protect the correlative rights of all parties; (3) prevent or assist in preventing waste; (4) not result in an owner obtaining more than its just and equitable share of production from the pool; and (5) insure that the pool as a whole is efficiently and economically developed.

10. No later than seven days after filing of this application, Applicant will submit to the Commission a certificate of service confirming notice has been served on all parties listed in Exhibit B and the Local Governmental Designee, Ms. Judith Jordan.

WHEREFORE, Applicant requests this matter be set for hearing, notice be given as required by law and upon such hearing the Commission issue an order (1) establishing an 200.04-acre spacing unit for production of oil, gas and associated hydrocarbons from the Williams Fork formation in the Lands, and (2) involuntarily pooling interests in the Williams Fork formation of the working interest owners with whom Applicant has been unable to secure an agreement to jointly develop the Lands, with such interests made subject to the terms and penalties in accordance with C.R.S. § 34-60-116 and Rule 530 of the Commission. Applicant further requests that the Commission in its order grant such other provisions as the Commission may find necessary or desirable in this matter.

Respectfully submitted on _____, 2009

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By: _____

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E-Mail: mpetry@laramie-energy.com
Mark Petry
Vice President of Business Development

VERIFICATION

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

_____, of lawful age, being first duly sworn upon oath, deposes
and says that he is Vice President of Laramie Energy II, LLC that he has read the foregoing
Application and that the matters therein contained are true to the best of his knowledge,
information and belief.

Laramie Energy II, LLC

By: _____

Subscribed and sworn to before me this _____ day of _____, 2009.

Witness my hand and official seal.

Notary Public

My commission expires: _____

EXHIBIT A
MAP OF APPLICATION LANDS AND SURROUNDING AREA

EXHIBIT B
TABULATION OF WORKING INTEREST OWNERS
AND UNLEASED MINERAL INTEREST OWNERS

WORKING INTEREST OWNERS

- 1 Williams Production RMT Company**
Tower 3, Suite 1000
1515 Arapahoe Street
Denver, CO 80202
- 2 Laramie Energy II, LLC**
1512 Larimer Street, Suite 1000
Denver, CO 80202
attn: Mark Petry
- 3 Laramie Energy II, LLC**
601 28-1/4 Road, Suite D
Grand Junction, CO 81506
attn: T. Rutledge
- 4 Exxon Mobil Corporation**
Attn: Exxon Co. USA
P.O. Box 53
Houston Texas 77001-0053
- 5 Exxon Mobil Exploration and Producing Operations**
800 Bell Street
Houston, Texas 77002
P.O. Box 53
Houston Texas 77001-0053
- 6 ExxonMobil**
5959 Las Colinas Boulevard
Irving, Texas 75039-2298

LEASED MINERAL OWNERS

- 1 Beaver Creek Ranch, L.P., an Iowa limited partnership, doing business in Colorado as**
Youberg Beaver Creek Ranch, LP
215 South 10th Street
Sac City, Iowa 50583
- 2 Mary Ellen Kinney**
8822 N.E. 199th Street
Battle Ground, WA 98604
- 3 Dale L. Dean**

3039 E ½ Rd.
Grand Junction, CO 81504

- 4 Pearl Dean**
176 Little Park Road
Grand Junction, CO 81503
- 5 Denver Seminary**
P.O. Box 10,000
Denver, CO 80210
- 6 Williams Production RMT Company**
Tower 3, Suite 1000
1515 Arapahoe Street
Denver, CO 80202
- 7 Sunnyside Production Company, LLC**
P.O. Box 2665
Grand Junction, CO 81502

OTHER

- 1 Garfield County Garfield County,**
144 , 3rd Street, Suite 203
Glenwood Springs, Colorado 81601
attn: Judith Jordan

EXHIBIT C
AFE AND JOA FOR PROPOSED WELL

