

**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 DRILLING AND SPACING UNITS PREVIOUSLY ESTABLISHED FOR THE MESAVERDE FORMATION AND ESTABLISHING DENSITY AND WELL LOCATION RULES FOR THE WILLIAMS FORK AND ILES FORMATIONS OF THE MESAVERDE GROUP AND FOR THE MANCOS, NIOBRARA, FRONTIER, MOWRY, AND DAKOTA FORMATIONS ("DEEP FORMATIONS") FOR CERTAIN DESCRIBED LANDS IN THE BUZZARD FIELD AREA, MESA COUNTY, COLORADO

CAUSE NO. 371

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 vacating certain described spacing units and for establishing 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 and for the Mancos, Niobrara, Frontier, Mowry and Dakota Formations ("Deep Formations") covering certain described lands in the Buzzard Field area, Mesa 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 9 South, Range 95 West, 6th P.M.  
Section 24: All

Mesa County

containing approximately 640 acres

(hereinafter "Application Lands")

3. Under the Commission's Order No. 371-1 dated June 15, 1981, each quarter section of the Application Lands was established as a 160-acre drilling and spacing unit for the Mesaverde Formation. There are no producing wells from the Mesaverde on the Application Lands. Applicant requests that these drilling and spacing units be vacated and that the Application Lands be subject to the well location and setback requirements as set forth below.

4. The Application Lands as to the Deep Formations 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.

5. That multiple wells have been drilled, tested and completed in the Williams Fork Formation and Iles Formation of the Mesaverde Group in the vicinity of the Application Lands and a few wells have also been drilled to the Deep Formations 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 and the Deep Formations 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 Mesaverde Group and from the Deep Formations underlying the Application Lands to the equivalent of one well per ten (10) acres.

7. That as to the Application Lands, the Commission should allow all future Williams Fork Formation, Iles Formation and Deep Formation wells 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 and Deep 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.

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 Colorado Oil and Gas Conservation Commission pursuant to application made for such exception.

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

10. 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 on Exhibit A attached hereto and made a part hereof.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in November, 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:        October \_\_\_\_, 2010.

**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 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 October, 2010.

Witness my hand and official seal.

My commission expires:

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

## EXHIBIT A

### NOTICE LIST

American Gas Leasing Company  
1700 South Broadway  
Denver, CO 80202

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

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

Axia Energy, LLC  
1430 Larimer Street, Suite 400  
Denver, CO 80202

Antero Resources Piceance Corporation  
1625 17th Street, Suite 300  
Denver, CO 80202

OXY USA, Inc.  
10889 Wilshire Blvd.  
Los Angeles, CA 80024

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

Coy Watkins  
18251 Kimball Creek Road  
Collbran, CO 81624

Indian Exploration Company, a limited  
partnership  
809 Mobil Building  
612 So. Flower Street  
Los Angeles, CA 90017

Robert R. Nystrom and Kay I. Nystrom  
1025 Fossil Creek Pkwy  
Fort Collins, CO 80525

David F. Fichter and Kim L. Fichter  
59628 Highway 330  
Collbran, CO 81624

Susan Kay Nichols  
60452 East Highway 330  
Collbran, CO 81624

Marc S. Laird  
1820 Kimball Creek Road  
Collbran, CO 81624

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

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

Randy Price  
Mesa County Planning & Eco. Development  
750 Main Street  
PO Box 20000  
Grand Junction, CO 81501

**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  
DRILLING AND SPACING UNITS PREVIOUSLY  
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LOCATION RULES FOR THE WILLIAMS FORK AND  
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**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 October \_\_\_\_, 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 October \_\_\_\_, 2010.

Witness my hand and official seal.

My commission expires:

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