

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

IN THE MATTER OF THE APPLICATION OF LARAMIE)
ENERGY II, INC. FOR AN ORDER ESTABLISHING)
DRILLING AND SPACING UNITS FOR MANCOS,)
NIOBRARA, FRONTIER AND MOWRY FORMATIONS)
("DEEP FORMATIONS") AND ESTABLISHING DENSITY)
AND WELL LOCATION RULES FOR THE WILLIAMS)
FORK AND ILES FORMATIONS OF THE MESAVERDE)
GROUP AND FOR THE DEEP FORMATIONS FOR)
CERTAIN LANDS IN THE RULISON FIELD,)
GARFIELD COUNTY, STATE OF COLORADO)

CAUSE NO. 139

DOCKET NO. 1105-SP-51

AMENDED APPLICATION

COMES NOW Laramie Energy II, LLC ("Applicant"), by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, and submits its amended application to the Oil and Gas Conservation Commission of the State of Colorado, for an order establishing spacing units for the Mancos, Niobrara, Frontier and Mowry Formations ("Deep Formations") and 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 the Deep Formations, covering certain described lands in the Rulison Field, Garfield County, Colorado, and in support of its application states as follows.

1. Applicant is duly authorized to conduct business in the State of Colorado.
2. Applicant owns leasehold interests in most of the following described lands located in Garfield County, containing approximately 240 acres (hereinafter, the "Application Lands"):

Township 7 South, Range 96 West, 6th P.M.

Section 34: E1/2SW1/4, W1/2SE1/4,
SW1/4NE1/4, SE1/4NW1/4

3. Commission Order No. 139-80 established 40-acre drilling and spacing units for the Williams Fork and Iles Formations for all the Application Lands, and allowed for the optional drilling of one (1) well per ten (10) acres, except for the SE1/4NW1/4 where the optional drilling of one (1) well per twenty (20) acres was allowed.

4. The Application Lands as to the Deep Formations are governed by Rule 318.a, which provides 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. The Applicant has drilled the following wells on the Application Lands, all of which are completed in the Williams Fork and Iles Formations of the Mesaverde Group, with the exception of the Reppo 34-14A well, which was drilled to and completed in the Mancos Formation:

SW1/4NE1/4 – Reppo 34-7B
SW1/4NE1/4 – Reppo 34-7D
NW1/4SE1/4 – Reppo A-10-34D
SW1/4SE1/4 – Reppo 34-15B
SE1/4SW1/4 – Reppo 34-13D
SE1/4SW1/4 – Reppo 34-14A
NE1/4SW1/4 – Reppo A11-34B
NE1/4SW1/4 – Reppo 34-11C

Spacing Request

6. Colorado Revised Statute Section 34-60-116(4) authorizes the Commission to establish drilling and spacing units to prevent or assist in preventing waste, avoid the drilling of unnecessary wells, and/or protect correlative rights.

7. Drilling and spacing units of approximately 40-acres are not less than the maximum area which can be efficiently, economically and effectively drained by a well producing oil, gas and associated hydrocarbons from the Mancos, Niobrara, Frontier and Mowry Formations ("Deep Formations") in the Application Lands.

8. The Applicant requests that the Commission establish 40-acre drilling and spacing units consisting of each governmental quarter-quarter section (or lots or parcels approximately equivalent thereto) of the Application Lands for production from each of the Deep Formations. Such units would be consistent with the units already established by Order 139-80 for the Williams Fork and Isles Formations in the Application Lands.

Optional Well Density Request

9. To promote efficient drainage within the Williams Fork, Iles and Deep Formations in the Application Lands, the Commission should increase the number of wells which may be optionally drilled to and produced from the Williams Fork and Isles Formations in the SE1/4NW1/4 of the Application Lands, and from the Deep Formations throughout the Application Lands to the equivalent of one well per ten (10) acres, subject to the rules set forth below.

10. Consistent with Rule 139-80, the Commission should allow all future Williams Fork and Iles Formation wells to be located downhole anywhere on the Application Lands, but no closer than 100 feet from the boundaries of each spacing unit within 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 may be drilled downhole no closer than 200 feet from that portion of such unit 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.

11. The Commission should allow all future Deep Formation wells to be located downhole anywhere on the Application Lands, but no closer than 600 feet from the boundaries of each spacing unit within the Application Lands, unless such boundary abuts or corners lands in respect of which the Commission has at the time of drilling permit application granted the right to drill 10-acre density wells for the Deep Formations, in which event any well to the Deep Formation shall be drilled downhole no closer than 100 feet from that portion of such unit boundary which so abuts or corners the lands in respect of which 10-acre density downhole drilling for Deep Formation wells has been ordered by the Commission, without exception being granted by the Commission. The Commission should make exception from these rules for the location of existing wells.

12. The Commission should provide that any well drilled to the Iles Formation under the requested Order shall be drilled only in connection with the drilling of a Williams Fork Formation well.

13. The well density and location rules requested in the Amended Application shall apply to vertical and directional wells, but shall not apply to horizontal wells, for which existing Commission rules and orders shall continue to apply.

14. Wells to be drilled under the requested Order 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 Commission pursuant to application made for such exception.

15. 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.

16. 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, Laramie Energy II, LLC, respectfully requests that this matter be set for hearing in June 27 or 28, 2011, that notice be given as required by law and that upon such hearing this Commission enter its order consistent with Applicant's proposals set forth above.

Dated: May 19, 2011.

LOHF SHAIMAN JACOBS HYMAN & FEIGER PC

By: _____


J. Michael Morgan #7279

950 South Cherry Street, Suite 900
Denver, CO 80246

(303) 753-9000; (303) 753-9997 (fax)

mmorgan@lohfsheiman.com


Applicant's Address:

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

VERIFICATION

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

Mark R. Petry, of lawful age, being first duly sworn upon oath, deposes and states 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.

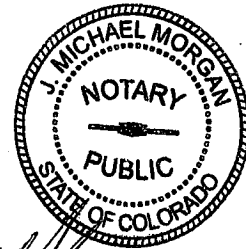


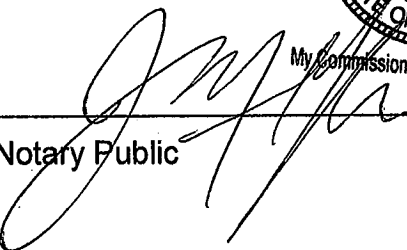
Mark R. Petry

Subscribed and sworn to before me this 19th day of May, 2011.

Witness my hand and official seal.

My commission expires: 9-16-2014





Notary Public

EXHIBIT A
NOTICE LIST

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
attn: Mark Petry

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

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

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

Noble Energy Production
P.O. Box 909
Ardmore, OK 73402

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

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

Garfield County
Attn: Judith Jordan
144 3rd Street, Suite 203
Glenwood Springs, CO 81601

Noble Energy Production
100 Glenborough, Suite 100
Houston, TX 77067

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

IN THE MATTER OF THE APPLICATION OF LARAMIE)
ENERGY II, INC. FOR AN ORDER ESTABLISHING)
DRILLING AND SPACING UNITS FOR MANCOS,)
NIOBRARA, FRONTIER AND MOWRY FORMATIONS)
("DEEP FORMATIONS") AND ESTABLISHING DENSITY)
AND WELL LOCATION RULES FOR THE WILLIAMS)
FORK AND ILES FORMATIONS OF THE MESAVERDE)
GROUP AND FOR THE DEEP FORMATIONS FOR)
CERTAIN DESCRIBED LANDS IN THE RULISON FIELD,)
GARFIELD COUNTY, STATE OF COLORADO)

CAUSE NO. 139

DOCKET NO. 1105-SP-51

AFFIDAVIT OF MAILING

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

J. Michael Morgan, of lawful age and being first duly sworn upon his oath, states and declares:

That he is the attorney for Laramie Energy II, Inc., that on March 17th, 2011, 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.

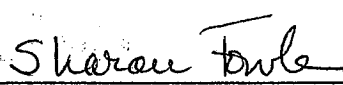


J. Michael Morgan

Subscribed and sworn to before me this 19th day of May, 2011.

Witness my hand and official seal.
My commission expires: 03-05-2015





Sharon Fowle, Notary Public