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 A DRILLING AND SPACING UNIT FOR THE MANCOS, NIOBRARA, FRONTIER AND MOWRY FORMATIONS ("DEEP FORMATIONS") AND RELATED WELL LOCATION RULES FOR CERTAIN LANDS IN THE PLATEAU FIELD AREA, MESA COUNTY, CO

CAUSE NO. 166

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DOCKET NO. 1201-SP-

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 an approximately 320-acre spacing unit for the Mancos, Niobrara, Frontier and Mowry Formations ("Deep Formations") and establishing related well density and well location rules, covering certain described lands in the Plateau Field Area, Mesa County, Colorado, and in support of its application states as follows.

1. Applicant is duly organized and authorized to conduct business in the State of Colorado.

Applicant owns leasehold interests in the following described lands located in Mesa 2. County, containing approximately 320 acres (hereinafter, the "Application Lands"):

> Township 10 South, Range 94 West, 6th P.M. Section 20: SE1/4SW1/4 Section 29: E1/2W1/2, W1/2NW1/4, NW1/4SW1/4

3. The Application Lands are unspaced as to the Deep Formations.

4. As to the Deep Formations, the Application Lands are governed by Rule 318.a, which provides that a well to be drilled in excess of 2,500 feet in depth shall be located not less than 600 feet from any lease line, and not less than 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. There are no producing wells on the Application Lands.

6. Colorado Revised Statute Section 34-60-116(4) authorizes the Commission to establish drilling and spacing units so the pool as a whole may be efficiently and economically developed, and to prevent or assist in preventing waste, avoid the drilling of unnecessary wells, and/or protect correlative rights.

7. A drilling and spacing unit of approximately 320-acres is not less than the maximum area which can be efficiently, economically and effectively drained by a horizontal well producing oil, gas and associated hydrocarbons from the Mancos, Niobrara, Frontier and/or Mowry Formations ("Deep Formations") in the Application Lands.

8. The Applicant requests the Commission to establish a 320-acre horizontal wellbore spacing unit consisting of the Application Lands for production of oil, gas and associated hydrocarbons from the Deep Formations.

9. To promote efficient drainage of the Deep Formations in the Application Lands, the Commission should permit the Applicant to drill one additional optional horizontal well on the unit for production of oil, gas and associated hydrocarbons from the Deep Formations.

10. The Commission should allow each horizontal well to be located anywhere on the unit, but no portion of the horizontal lateral shall be completed closer than 600 feet from the boundaries of such unit, or closer than 1,200 feet from the wellbore of another permitted well in the same common source of supply.

11. The proposed drilling and spacing unit will allow efficient drainage of the Deep Formations, will prevent waste, will not adversely affect correlative rights of any owner, and will assure the greatest ultimate recovery of oil, gas and associated hydrocarbon substances.

12. The proposed wells can be developed in a manner consistent with protection of the environment, public health, safety and welfare.

13. The above spacing and well density and location rules shall apply to horizontal wells, but not to vertical or directional wells, for which existing Commission rules and orders shall continue to apply

14. 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 January 23, 2012, notice be given as required by law and upon such hearing this Commission enter its order consistent with Applicant's proposals set forth above.

Dated: December 2, 2011.

LOHF SHAIMAN JACOBS HYMAN & FEIGER PC

Bv:

J. Michael Morgan #7279 950 South Cherry Street, Suite 900 Denver, CO 80246 (303) 753-9000; (303) 753-9997 (fax) mmorgan@lohfshaiman.com

<u>Applicant's Address</u>: Laramie Energy II, LLC 1512 Larimer Street, Suite 1000 Denver, CO 80202

VERIFICATION

STATE OF COLORADO)

) ss.

CITY & COUNTY OF DENVER)

N. Arthur Bollen, of lawful age, being first duly sworn upon oath, deposes and states that he is a Consulting Landman for Laramie Energy II, LLC, he has read the foregoing Amended Application and the matters therein contained are true to the best of his knowledge, information and belief.

N. Arthur Bollen

Subscribed and sworn to before me this 2^{nd} day of December, 2011. Witness my hand and official seal.

My commission expires: Movember 23, 2013

Karen Prico

Notary Public

KAREN PRICE **NOTARY PUBLIC** STATE OF COLORADO

My Commission Expires Nov. 23, 2013

EXHIBIT A

Oxy USA Inc. PO Box 27570 Houston, TX 77046

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

Wexpro Company PO Box 45003 Salt Lake City, UT 84145-0003

Maralex Resources, Inc. 775 Goddard Avenue Ignacio, CO 81137

Great Northern Gas Company 621 17th Street, Suite 2150 Denver, CO 80293-0602

Energy Exchange Corporation 5200 South Yale Avenue Tulsa, OK 74135

Jules C. Goldstone Anita M. Goldstone 780 North Grower Street Los Angeles, CA 90001

Rollin F. Duni and Othella Duni, Trustees of the Duni Family 1986 Trust, Dated 10-14-86 3896 Ladera Vista Road Fallbrook, CA 92028

8 Penny LLC 2258 Willow Wood Road Grand Junction, CO 81503

Carter Ludow 1009 North Clark Street Los Angeles, CA 90069 Pauline, Carl and Irma Wilder and Reece Petty c/o Irma Wilder 2300 South M Street Fort Smith. AR 72901

Tucker Garner 7256 Holly Hill Drive Mercer Island, WA 98040

Mary Anne Garner Firsone, Trustee of the Mary Anne Garner Firsone Revocable Trust Under Agreement Dated 9-17-93 c/o Edward Winslow Layman, Lempert & Winslow 220 Bush Street, Suite 1411 San Francisco, CA 94104

James E. Munson & Cherron G. Munson, Trustees of the James E. Munson and Cherron G. Munson Revocable Trust Under Agreement dated 8-24-93 c/o Edward Winslow Layman, Lempert & Winslow 220 Bush Street, Suite 1411 San Francisco, CA 94104

Gayle Garner Roski, Trustee of the Gayle Garner Roski Revocable Trust Under Agreement Dated 11-16-93 c/o Edward Winslow Layman, Lempert & Winslow 220 Bush Street, Suite 1411 San Francisco, CA 94104

Edward A. Rush and David E. Rush 8 East 144th Street Riverdale, IL 60627

Laurence K. Meens PO Box 3930 Grand Junction, CO 81502 Glen R. Stoll and Patricia Stoll 10392 60 ³⁄₄ Road Collbran, CO 81624

Carl H. Koch Kathy A. Koch PO Box 428 Collbran, CO 81624-0428

Paul Adams PO Box 291 Collbran, CO 81624

Michael Todd Wilkerson Pam Wilkerson P.O. Box 551 Collbran, CO 81624

Plateau Energy Partners 833 24 ½ Road Grand Junction, CO 81505

Estate of Evelyn Osborn, deceased c/o Loren R. Osborn 3273 F 3/10 Road Clifton, CO 81520

Gary A. Lucero 209 Mantey Heights Drive Grand Junction, CO 81501

Dennis L. Lucero c/o Gary A. Lucero 209 Mantey Heights Drive Grand Junction, CO 81501

Joe Lloyd Rodriques c/o Gary A. Lucero 209 Mantey Heights Drive Grand Junction, CO 81501

Billy G. Harrison 1051 Kannah Creek Road Whitewater, CO 81527

William R. Cardell Teri A. Rawlins-Cardell PO Box 308 Palisade, CO 81526 Randy Price Mesa County Planning & Econ Dev. 750 Main Street P.O. Box 20000 Grand Junction, CO 81501

Kent Kuster Colorado Dept. of Public Health & Enviro. 4300 Cherry Creek Drive South Denver, CO 80246

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

Mr. Hank Szymanski U.S. Bureau of Land Management 2850 Youngfield Street Lakewood, CO 80215

Shirley McPerson Address Unknown Los Angeles County, CA

Virginia May Land Address Unknown Monterey County, CA

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IN THE MATTER OF THE APPLICATION OF LARAMIE) ENERGY II, LLC FOR AN ORDER ESTABLISHING A) DRILLING AND SPACING UNIT FOR THE MANCOS,) NIOBRARA, FRONTIER AND MOWRY FORMATIONS) ("DEEP FORMATIONS") AND RELATED WELL) LOCATION RULES FOR CERTAIN LANDS IN THE) PLATEAU FIELD AREA, MESA COUNTY, CO)

CAUSE NO. 166

DOCKET NO. 1201-SP-____

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, LLC. On December 2, 2011, he caused a copy of the attached Amended Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on **Exhibit A** to the Application.

Michael Morgan

Subscribed and sworn to before me this 2nd day of December, 2011.

Witness my hand and official seal. My commission expires: 09-13-2013

Hoisington, Notary P ia l

