

**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,)	CAUSE NO. 166
NIOBRARA, FRONTIER AND MOWRY FORMATIONS)	
("DEEP FORMATIONS") AND RELATED WELL)	DOCKET NO. 1201-SP-_____
LOCATION RULES, AND POOLING ALL NON-)	
CONSENTING OWNERS OF CERTAIN LANDS IN)	
THE PLATEAU FIELD AREA, MESA COUNTY, CO)	

APPLICATION

COMES NOW Laramie Energy II, LLC ("Applicant"), by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, and submits its application to the Oil and Gas Conservation Commission of the State of Colorado, for an order establishing an approximately 520 acre spacing unit for the Mancos, Niobrara, Frontier and Mowry Formations ("Deep Formations"), establishing related well density and well location rules, and pooling all non-consenting owners in such unit, in 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.

2. Applicant owns leasehold interests in the following described lands located in Mesa County, containing approximately 520 acres (hereinafter, the "Application Lands"):

Township 10 South, Range 94 West, 6th P.M.
Section 19: SE1/4NE1/4, E1/2SW1/4, SE1/4
Section 30: NE1/4, E1/2NW1/4

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.

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. A drilling and spacing unit of approximately 520 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 Deep Formations in the Application Lands.
8. The Applicant requests that the Commission establish an approximately 520 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 two additional, optional horizontal wells 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 a 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 from the reservoirs.
12. 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
13. The proposed wells can be developed in a manner consistent with protection of the environment, public health, safety and welfare.

Involuntary Pooling Request

14. Colorado Revised Statute Section 34-60-116 authorizes the Commission to pool separately owned interests located within a drilling unit for the development and operation of the wells.
15. At least 30 days prior to the hearing on this application, the Applicant will have sent all owners listed on **Exhibit A**, who have not previously consented to lease or otherwise participate in the Baier 19-11-30-06-H well, an Authority for Expenditures (AFE) containing all information required under Commission Rule 530.b., and in case of unleased mineral owners, an offer to lease which is reasonable, based on the factors listed in Commission Rule 530.c. The Applicant anticipates that one or more of such owners will refuse or fail to respond to such offer to participate in the drilling, completion and operation of such well, and shall be deemed non-consenting parties under Commission Rule 530.b and c.

16. An order of the Commission pooling all interests in an approximately 520 acre unit composed of the Application Lands shall therefore be necessary in order to afford each owner of an interest in such unit the opportunity to recover and receive its just and equitable share of the oil and/or gas from the common source of supply underlying said unit.

17. The granting of such an order would not be prejudicial to the owners in the unit and would protect correlative rights.

18. The requested pooling order should be effective as of the date of this Application, or the date that costs specified by C.R.S. §34-60-116(7)(b)(II) are first incurred for the drilling of the Baier 19-11-30-06-H well, whichever is first in time.

19. 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, 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: November 22, 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@lohfshaiman.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)

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 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 _____ day of November, 2011.

Witness my hand and official seal.

My commission expires:_____

Notary Public

EXHIBIT A
NOTICE LIST

Clint D. Lanford
Stephanie S. Lanford
1162 60 ³/₄ Road
Collbran, CO 81624

Oxy USA Inc.
PO Box 27570
Houston, TX 77046

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

Cougar Springs Ranch
P.O. Box 2506
Grand Junction, CO 81502

Plateau Energy Partners
833 24 ¹/₂ Road
Grand Junction, CO 81505

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

Carl A. Koch
Kathy A. Koch
P.O. Box 428
Collbran, CO 81624

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

Paul F. Adams
P.O. Box 291
Collbran, CO 81624

Cheryl Stevens
1209 County Road 102
Hesperus, CO 81326

Arlen Dale West
1299 North Tamarack
Bayfield, CO 81122

Kathi McIlraith
2011 Troy King Road, #213
Farmington, NM 87401

Daleen Washington
P.O. Box 602
Ignacio, CO 81137

Theresa Washington
P.O. Box 602
Carlsbad, NM 88220

Rocky Hill Ranch LLC
P.O. Box 10
Collbran, CO 81624

Jane M. Rose
P.O. Box 1066
La Veta, CO 81055

Joseph D. Rose
c/o Anne D. Dyde
7877 Mississippi Ave., Suite 208-E
Denver, CO 80231

Sydney Jean Elliott
P.O. Box 174
Wilson, WY 83014

Robert Neil Gold
c/o Robert N. Gold
366 Comstock Avenue
Los Angeles, CA 90024

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

James E. Munson and 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
San Francisco, CA 94104

220 Bush St., Suite 1411
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 St., Suite 1411
San Francisco, CA 94104

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

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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THE PLATEAU FIELD AREA, MESA COUNTY, CO)	

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. On November 22, 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 22nd day of November, 2011.

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

Tonja L. Hoisington, Notary Public