

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

IN THE MATTER OF THE APPLICATION OF)
LARAMIE ENERGY, LLC) CAUSE NO.
DIVIDE CREEK FIELD)
MESA COUNTY AND GARFIELD)
COUNTIES, COLORADO) DOCKET NO. ____

VERIFIED APPLICATION

COMES NOW, the Applicant, Laramie Energy, LLC, by and through its attorneys, Poulson, Odell & Peterson, LLC, and makes application to the Oil and Gas Conservation Commission of the State of Colorado for an order to vacate the spacing in certain designated drilling and spacing units in the Divide Creek Field in Garfield County, Colorado. In support thereof, Laramie Energy, LLC states as follows:

APPLICATION LANDS

I

Applicant is the owner of interests in oil and gas leases in part or all of the following described spacing units in the Divide Creek Field established for production of gas from the Cretaceous Mesaverde Formation from sections identified as the Upper, Middle and Lower Divide Creek pay zones:

: Township 7 South, Range 91 West, 6th P.M.
Section 13: All
Section 14: All
Section 15: All
Section 23: All
Section 24: All
Section 25: All
Section 26: All
Section 27: All
Section 28: All
Section 29: All
Section 35: All

The lands described above are referred to as Application Lands.

EXISTING ORDERS

II

In Cause No. 143, Order No. 143-1 dated April 26, 1960, the Oil and Gas Conservation Commission established drilling units for the Divide Creek Field for production of gas from the Cretaceous Mesaverde Formation from sections identified as the Upper, Middle, and Lower Divide Creek pay zones. The order establishes 640-acre drilling and spacing units in the Application Lands, among other lands. The order provides that the permitted well in each drilling unit be no closer than 3,750 feet to the nearest well drilling to or capable of production from the Mesaverde Formation, and not closer than 900 feet to the boundaries of the drilling unit upon which it is located.

By Cause No. 143, Order No. 143-2 (corrected) dated December 11, 1989, as of November 20, 1989, the Oil and Gas Conservation Commission modified Order No.

143-1 to delete complete sections or parcel sections of land from the provisions of Order No. 143-1. None of the Application Lands are deleted from the provisions of Order No. 143-1. None of the Application Lands are deleted from the provisions of Order No. 143-1 by Order No. 143-2 (corrected). The deleted lands are those located in the Divide Creek Unit.

In Cause No. 143. Order No. 143-3 dated February 28, 1990, as of February 20, 1990, the Oil and Gas Conservation Commission amended the lands subject to Order No. 143-1, as amended by Order No. 143-2 (corrected), to delete certain specified lands from the provisions of Order No. 143-1, as amended by Order No. 143-2 (corrected). None of the Application Lands are deleted from the provisions of Order No. 143-1, as amended by Order No. 143-2 (corrected).

The Application Lands remain subject to terms and provisions of Order No. 143-1, as amended by Order No. 143-2 (corrected), and Order No. 143-3.

GARFIELD II UNIT

III

The records of the Colorado State Office of the Bureau of Land Management reflect that the following described lands are included within the Garfield II Unit:

Township 7 South, Range 91 West, 6th P.M.

Section 14: S/2 SW/4

Section 23: NW/4

Section 24: SE/4 SW/4

Section 25: W/2 NE/4, SE/4 NE/4, W/2, W/2 SE/4

Section 26: All

Section 27: NE/4, NE/4 NW/4, S/2 NW/4, S/2

Section 34: N/2 NE/4, NE/4 NW/4

Section 35: N/2 N/2

The Garfield II Unit was established April 13, 1977 covering the lands described above, among other lands. The Garfield II Unit was contracted to the lands described above effective as of July 21, 1983.

In accordance with practice, it is expected that the Oil and Gas Conservation Commission will suspend the lands included in the Garfield II Unit from the provisions of Order No. 143-1, as amended, Order No. 143-2 (corrected), and by Order No. 143-3, until such time as they are removed from the Garfield II Unit.

APPLICATION

Laramie Energy, LLC request by their application that Order No. 143-1, Order No. 143-2 (corrected), and Order No. 143-3 be vacated as to the Application Lands for the reasons stated below.

IV

Based upon the records of the Oil and Gas Conservation Commission, the following wells have been drilled in the Application Lands, or in the Garfield II Unit, with the location of the well and the status of the well identified below:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>	<u>Status</u>
Rifle-Boulton #1	05-045-06127	NW/4 NW/4 of Section 23	Producing
Rifle-Walton #25-2	05-045-06290	SE/4 NW/4 of Section 25	Producing
Federal #26-3	05-045-06213	NW/4 SW/4 of Section 26	Producing

Garfield II-Federal #6-27-7-91	05-045-06390	NE/4 SW/4 of Section 27	PA
Hoffmeister Fee #28-1A	05-045-06182	NE/4 NE/4 of Section 28	DA
Divide Creek-North Gov. UN #1	05-045-05202	NE/4 SE/4 of Section 29	PA

Of the wells described above, the Rifle-Boulton #1, the Rifle-Walton #25-2, and the Federal #26-3 wells are located in the Garfield II Unit. There are no producing wells in any part of the Application Lands outside of the Garfield II Unit.

As to Application Lands not included in the Garfield II Unit, no drilling activity has been conducted on or production established. Except as to lands in the Garfield II Unit, the existing spacing of the Application Lands has not resulted in development of those lands for the production of oil from the Mesaverde Formation.

V

Vacation of Cause No. 143-1, Cause No. 143-2, and Cause No. 143-3 with respect to the Application Lands will not affect correlative rights of any parties. The only producing wells in the Application Lands are located in the Garfield II Unit. As to each such well, the ownership of the well and production from the well is established by the Garfield II Unit and the Unit Operating Agreement for the Garfield II Unit. Vacation of the spacing will not affect the ownership of the wells and production from the wells located in the Garfield II Unit.

As to the Application Lands not included in the Garfield II Unit, there are no producing wells. Vacation of Cause No. 143-1, Cause No. 143-2, and Cause No. 143-3 will not affect the correlative rights of any parties as to lands outside of the Garfield II Unit.

VI

Conservation of the time and resources of the Commission will be served if Order No. 143-1, Order No. 143-2 (corrected), and Order No. 143-3 are vacated as to the Application Lands. A suspension of the provisions of Order No. 143-1, Order No. 143-2, and Order No. 143-3 as to lands included in the Garfield II Unit will result in the creation of irregular shaped drilling units of less than the designated 640-acre sections. Exceptions to existing orders likely will be required for development in these sections. In addition, applications to increase density in the Mesaverde formation will be reduced if the orders are vacated.

VII

To prevent waste, to protect correlative rights, to ensure the proper and efficient development of the Mesaverde Formation, and to ensure the greatest recovery of gas and associated hydrocarbons from the Mesaverde Formation, applicant requests that, after notice and hearing as provided by law, the Commission issue its order providing that the Application Lands should be deleted from Order No. 143-1, Order No. 143-2 (corrected), and Order No. 143-3, and that further development of the Application Lands be subject to the rules and regulations of the Oil and Gas Conservation Commission.

GENERAL PROVISIONS

VIII

Applicant states that to the best of its information and belief Exhibit A attached to this Verified Application is the list of the names of owners required to be notified in accordance with Commission Rule 507 covering the Application Lands.

IX

WHEREFORE, Applicant respectfully requests that this matter be set for hearing by the Commission; that notice hereof be given as required by law; and that upon hearing this Commission issue its order granting this Application as requested. Applicant further requests that the Commission in its order grant such other provisions as the Commission may find to be necessary or desirable in the cause.

DATED this 22nd day of November, 2005.

Respectfully submitted,

Laramie Energy, LLC

BY: _____
Carleton L. Ekberg, Esq.
Poulson, Odell & Peterson, LLC
1775 Sherman Street, Suite 1400
Denver, Colorado 80203
(303) 861-4400

Applicant's Address:
Laramie Energy, LLC
1512 Larimer Square
Suite 1000
Denver, Colorado 80202

VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

Patricia A. Kacerguis, Operations Administration Manager of Laramie Energy, LLC, upon oath, deposes and says that she has read the foregoing Verified Application before the Oil and Gas Conservation Commission of the State of Colorado, and states that the matters contained therein are true to the best of her knowledge and belief.

Patricia A. Kacerguis

Subscribed to and sworn to before me this _____ day of November, 2005 by Patricia A. Kacerguis, Operations Administration Manager of Laramie Energy, LLC.

My Commission expires:

Notary Public

Address

EXHIBIT A

Attached and made a part of the Verified Application of
Laramie Energy, LLC in Cause No. 143

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

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

Great Northern Gas Company
621 17th Street, Suite 2150
Denver, CO 80202

Bill Barrett Corp.
1099 18th Street, Suite 2300
Denver, CO 80202

EnCana Oil & Gas (USA), Inc.
370 17th Street, Suite 700
Denver, CO 80202

KLT Gas, Inc.
2202 Timberloch Pl., Suite 222
The Woodlands, TX 77380

Windsor Castle Springs, LLC
14313 N. May Ave., Suite 100
Oklahoma City, OK 73134

United States Dept. of the Interior
BLM
2850 Youngfield Street
Lakewood, CO 80215

Barry L. Stout
2000 Baldy Creek Road
New Castle, CO 81647

Gene R. Hilton
2102 W. Arapahoe Drive
Littleton, CO 80120

William Inderrieden
5780 #1 Powerline Road
Fort Lauderdale, FL 33309

John McCormack, Engle E. Saez
0268 Mt. Laurel Dr.
Aspen, CO 81611

June & John Stuart Rogers Family
1992 Trust
5101 Mountain View Rd
Hughson, CA 95326-9388

Linda K. Jackson
6000 CR 313
New Castle, CO 81647

Lori M. Jackson
225 S. Bishop
San Angelo, TX 76901

Brett C. Jackson
5403 86th Street
Lubbock, TX 79424

Bradley D. Jackson
1227 Newberry Drive
Allen, TX 75013

David A. Russell
385 Apple Drive
New Castle, CO 81647

Jerry D. Jones
9309 Indian School Rd., #18NE
Albuquerque, NM 87112

Vernon Dedisse Jr.
1655 W. 113th
Denver, CO 80234

Barney Oldfield
No Address of Record

Sandra K. & James P. Irvine
420 W. 4th Street
Rifle, CO 81650

Eric R. Wahl
641 Colorado Avenue
Carbondale, CO 81623

Lynn Rowland
821 N. Traver Trail
Glenwood Springs, CO 81601

Brian Bark
7228 CR 313
New Castle, CO 81647

Daniel & Florence McCullough
25 Enclosure
Nutley, NJ 07110

Kenneth & Shirley Hutchings
99 W. Sunlight Ct.
Glenwood Springs, CO 81601

Barbara Bliss
4908 154 Road
Glenwood Springs, CO 81601

Sue D. Bookman
7800 Highway 82
Glenwood Springs, CO 81601

Martin Landrum & Shiri Hunter
PO Box 623
Silt, CO 81652

Samuel Taylor, Jr.
0383 County Road 167
Glenwood Springs, CO 81601

Brad & Diana Mollman
0105 Midvalley Drive
New Castle, CO 81647

James & Paula York
6766 County Road 313
Silt, CO 81652

Leslie Eugene Alexander
8528 W 10th Avenue
Lakewood, CO 80215-4803

Rebecca Dunbar Allison
370 Harlan Street
Lakewood, CO 80226

Peggy Alexander Dunbar
2235 Marshall Street
Denver, CO 80214

Rachel May Alexander
PO Box 171
South Pasadena, CA 91031-0171

Kelly Danielle Alexander
605 West Huntington Drive, No. 324
Monrovia, CA 91016

Kristine M. Peterson
2525 S. Wadsworth Blvd, Suite 303
Lakewood, CO 80227-4346

Barrett D. Baker
717 17th Street, Suite 1545
Denver, CO 80202

Melanie Lynn Spittler
6116 Moore Street
Arvada, CO 80004

Virginia Lee Alexander-Malara
2252 Ingalls
Edgewater, CO 80214

Shannon Leah Kinsey
1475 Manzana Street
Eugene, OR 97404

James Lang Alexander
5523 Old Ranch Road
Sarasota, FL 34241-9680

Robin Lee Dunbar Hagelstrom
4727 Elliot Street
Denver, CO 80211

Mineral Acquisition Partners 2003
100 Park Avenue
Oklahoma City, OK 73102

Lawrence D. Wilson
1859 County Road 344
Silt, CO 81652

Roy H. Guess, R.P. Swirczynski
1965 South Beverly St., No. 101
Casper, WY 82609

Paula Faust
122 Falcon Drive
Charlottesville, VA 22901

Imperial Oil Co. of California
22499 Imperial Valley Drive
Houston, TX 77073-1173

Fred H. Carr, Joan C. Carr,
Trustees
711 E 11th Street
Casper, WY 82601-3813

Joanne P. Parson
42 Rockland Road
Greenfield, MA 01301

Black Stone Minerals Company LP
Po Box 870849
Mesquite, TX 75181

TFS Trust, Thomas F. Stroock
Trustee
PO Box 2875
Casper, WY 82602-2875

Ronald J. Rogers & Michael D. Heil
1875 Century Park East, Ste. 300
Los Angeles, CA 90067-2504

Riley M. Record
No Address of Record

Patricia Fern Record Perryman
404 Eastwood Circle
Ardmore, OK 73401

Donald Duane Record Fulton
12497 County Road 311
Silt, CO 81652-9635

Eugene W. Tolini
242 Larkspur Dr.
Castle Rock, CO 80104

Shirley L. Horn
5829 S. Datura St., Apt. 121
Littleton, CO 80120