

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

IN THE MATTER OF THE PROMULGATION ) CAUSE NO. 529  
AND ESTABLISHMENT OF FIELD RULES TO )  
GOVERN OPERATIONS IN THE ALKALI ) DOCKET NO. \_\_\_\_\_  
CREEK FIELD, MESA COUNTY, COLORADO )  
 ) TYPE: SPACING

APPLICATION

Laramie Energy, LLC (Operator No. 10433) ("Laramie"), through its attorneys, Steptoe & Johnson PLLC, respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") pursuant to C.R.S. § 34-60-116 for an order establishing an approximate 1,280-acre, more or less, drilling and spacing unit and establishing field rules for the production of oil, gas and associated hydrocarbons from the Mesaverde Group, which includes the Williams Fork and Iles Formations, which includes, or whose members are, the Cameo, Rollins, Cozette and Corcoran (collectively the "Williams Fork and Iles Formations of the Mesaverde Group") for certain lands in the Alkali Creek Field, Mesa County, Colorado. In support of its Application, Laramie states as follows:

1. Laramie is a Delaware limited liability company duly organized and authorized to conduct business in the State of Colorado. Laramie is an operator in good standing with the Commission.

2. Laramie has standing as an owner to pursue this Application. It owns the oil and gas leasehold interests in the following lands in Mesa County, Colorado:

Township 8 South, Range 92 West, 6<sup>th</sup> P.M.  
Section 35 and 36: All

(the "Application Lands"). A reference map of the Application Lands is attached as Exhibit A. The Application Lands comprise approximately 1,280 acres, more or less.

3. The Application Lands include oil, gas and other minerals owned by the United States. As noted above, Laramie owns the oil and gas leasehold interests subject to a lease with the United States administered by the Bureau of Land Management, United States Department of the Interior, as lessor.

4. Laramie will comply with all state and federal statutes, rules, regulations and lease stipulations applicable to the Application Lands and minerals. Laramie also will confer and cooperate with the Bureau of Land Management concerning the proposed order and operations.

5. Exhibit B lists all known interested parties as defined in Commission Rules 503 and 507. Within seven days of the filing of this Application, all interested parties as defined in Commission Rules 503 and 507 shall be served with a copy of the

Application. A certificate attesting to service of the Application together with a list of those persons and entities entitled to notice under Commission rules shall be filed with the Commission within seven days of the filing of this Application.

6. No wells produce from the Application Lands. One well (the Hell's Gulch Federal 35-01W) has been drilled but not yet completed from adjoining lands in Section 26, Township 8 South, Range 92 West, 6<sup>th</sup> P.M., to a bottom-hole location in the Application Lands.

7. The Application Lands are not subject to any prior orders of the Commission.

8. Commission Rule 318.a. provides that, on unspaced lands, wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply, unless authorized by order of the Commission upon hearing.

9. The Application Lands abut other lands to the north and south subject to Commission Order No. 529-1. Commission Order No. 529-1 authorizes the equivalent of 10-acre well density for wells drilled to and producing from the Williams Fork and Iles Formations of the Mesaverde Group. Other orders applicable to other nearby lands also authorize the equivalent of 10-acre density.

10. The intent of this Application is to establish the equivalent of 10-acre density for wells drilled to and producing from the Williams Fork and Iles Formations of the Mesaverde Group underlying the Application Lands.

11. The above-proposed drilling and spacing unit and field rules will allow efficient drainage of the Williams Fork and Iles Formations of the Mesaverde Group, prevent waste, not adversely affect correlative rights of any owner, and assure the greatest ultimate recovery of oil, gas and associated hydrocarbons.

12. Wells developed in accordance with the proposed order may be drilled and operated in a manner consistent with protection of the environment, wildlife, public health, safety and welfare.

13. A verification attesting to the Application is attached. A copy of a proposed Notice of Hearing is being submitted electronically to the Commission.

WHEREFORE, Laramie respectfully requests this matter be set for hearing, notice be given as required by law, and upon such hearing this Commission enter the following order:

a. The Commission should order that the Application Lands be established as a single approximate 1,280-acre, more or less, drilling and spacing unit for the production of oil, gas and associated hydrocarbons from the Williams Fork and Iles Formations of the Mesaverde Group, and that, within this

drilling and spacing unit, the equivalent of 10-acre density be ordered for all wells producing from the Williams Fork and Iles Formations of the Mesaverde Group, unless an exception is granted by the Director.

b. The Commission should order that all wells within the drilling and spacing unit be located no closer than 100 feet from the unit boundary line, or 200 feet from the unit boundary line if the well abuts or corners land not subject to 10-acre density, unless an exception is granted by the Director.

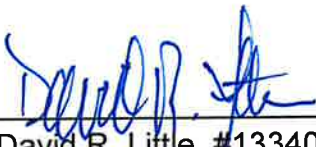
c. The Commission should order that wells producing from the Williams Fork and Iles Formations of the Mesaverde Group within the Application Lands should be drilled from lands outside the Application Lands in accordance with relevant lease stipulations or from no more than one well pad per quarter-quarter section within the Application Lands, unless an exception is granted by the Director.

d. The Commission should enter and issue such other findings and orders, consistent with the requests set forth above, which the Commission may determine to be just and proper.

Respectfully submitted this 18<sup>th</sup> day of January, 2018.

STEPTOE & JOHNSON PLLC

By: \_\_\_\_\_



David R. Little, #13340  
Casey C. Breese, #51448  
600 17th Street, Suite 2300S  
Denver, Colorado 80202  
Phone Number: 303-389-4300  
Fax Number: 303-389-4301  
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[casey.breese@steptoe-johnson.com](mailto:casey.breese@steptoe-johnson.com)

Address of Applicant:

Laramie Energy, LLC (Operator No. 10433)  
1401 Seventeenth Street, Suite 1400  
Denver, CO 80202  
303-339-4400  
[bhinman@laramie-energy.com](mailto:bhinman@laramie-energy.com)

VERIFICATION

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

The undersigned, of lawful age, having been first sworn upon her oath, deposes and states that:

1. I am a Senior Landman for Laramie Energy, LLC, 1401 Seventeenth Street, Suite 1400, Denver, CO 80202.

2. I have read the Application and I have personal knowledge of the facts set forth therein. The facts in the Application are true and correct to the best of my knowledge and belief.

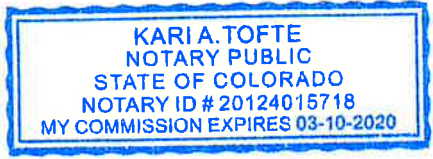
Further Affiant sayeth not.

  
\_\_\_\_\_  
Barbara A. Hinman

Subscribed and sworn to before me this 18<sup>th</sup> day of January, 2018.

Witness my hand and official seal.

My commission expires: 3/10/2020



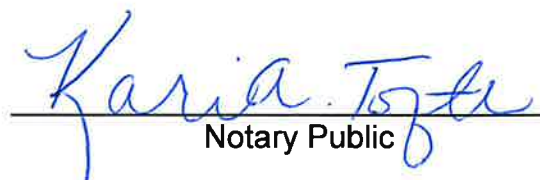
  
\_\_\_\_\_  
Notary Public

Exhibit A

7S 92W

8S 92W

8S-92W

8S 92W

9S 92W

7S 92W

8S 91W

8S 92W

8S 91W

8S 91W

9S 91W

<b>LARAMIE ENERGY, LLC</b>	
<b>Piceance Basin</b>	
Leasehold Map	
T8S-92W Section 35: All Section 36: All	
Mesa County, Colorado	
Remarks:	
Date: 1/16/2018	

Document Path: C:\Users\p\Usersch\Documents\Land\_Maps\Spacing\Exhibit\_Sec35\_8S92W.mxd

**EXHIBIT B – INTERESTED PARTIES**

Township 8 South, Range 92 West, 6<sup>th</sup> P.M.

Section 35: All

Section 36: All

Mesa County, Colorado

Laramie Energy, LLC (Applicant)  
1401 Seventeenth Street, Suite 1400  
Denver, CO 80202

United States Department of the Interior  
Bureau of Land Management  
Colorado State Office  
2850 Youngfield Street  
Lakewood, CO 80215-7093

United States Department of the Interior  
Bureau of Land Management  
2815 H Road  
Grand Junction, CO 81506  
Attention: Bob Hartman

Michael Warren  
Northwest Regional Office  
Energy Liaison – Colorado Parks and Wildlife  
711 Independent Avenue  
Grand Junction, CO 81505

Kent Kuster  
Oil and Gas Consultant Coordinator  
CDPHE  
4300 Cherry Creek Drive South  
Denver, CO 80246-1500

Jeff Hofman  
Local Government Designee  
Mesa County  
200 South Spruce Street  
PO Box 20000  
Grand Junction, CO 81502-5001

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

RECEIVED  
JAN 22 2018  
COGCC

IN THE MATTER OF THE PROMULGATION ) CAUSE NO. 529  
AND ESTABLISHMENT OF FIELD RULES TO )  
GOVERN OPERATIONS IN THE ALKALI ) DOCKET NO. 180300180  
CREEK FIELD, MESA COUNTY, COLORADO )  
) TYPE: SPACING

AFFIDAVIT AND CERTIFICATE OF SERVICE

David R. Little, of lawful age and being first duly sworn upon his oath, states and declares:

I am counsel of record in this matter. Upon behalf of the Applicant, I certify that on January 18, 2018, I caused a copy of the Application filed in this matter to be deposited in the United States Mail, first class postage prepaid, addressed to the interested parties listed in Exhibit B attached to the Application. Exhibit B lists all persons presently known to the Applicant who are entitled to notice pursuant to the rules of the Commission. This affidavit and certificate of service is made upon personal knowledge.

  
\_\_\_\_\_  
David R. Little

Subscribed and sworn to before me this 18<sup>th</sup> day of January, 2018.

Witness my hand and official seal.

My commission expires: February 12, 2022

SHERYL R. GUNTER  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 13904001724  
MY COMMISSION EXPIRES FEBRUARY 12, 2022

  
\_\_\_\_\_  
Sheryl R. Gunter  
Notary Public