

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

IN THE MATTER OF THE PROMULGATION AND ) CAUSE NO. 139  
ESTABLISHMENT OF FIELD RULES TO GOVERN )  
OPERATIONS IN THE RULISON FIELD, GARFIELD ) DOCKET NO. 181200900  
COUNTY, COLORADO )  
) TYPE: SPACING

NOTICE OF WITHDRAWAL AS ATTORNEY OF RECORD

The undersigned counsel, Casey C. Breese, pursuant to Rule 121, Section 1-1(2)(a) of the Colorado Rules of Civil Procedure, hereby provides notice of his withdrawal as an attorney of record for Laramie Energy, LLC ("Laramie") in the above-captioned matter. In support of this Notice, Mr. Breese states as follows:

1. C.R.C.P. Rule 121, Section 1-1(2) provides an attorney may withdraw from a matter, without leave, where the withdrawing attorney has complied with all outstanding orders and either files a notice of withdrawal where there is active co-counsel for the party represented by the withdrawing attorney, or files a substitution of counsel.

2. Laramie will not be prejudiced by withdrawal of the undersigned as Laramie continues to be represented by attorney David R. Little, who has previously appeared in this matter.

3. I have complied with all outstanding orders of this Commission.

4. All requirements of C.R.C.P. Rule 121, Section 1-1(2)(a) have been satisfied and the movant is entitled to withdraw, and hereby does withdraw, as counsel of record for this matter.

Respectfully submitted this 28th day of February, 2019.

STEPTOE & JOHNSON PLLC

By: 

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

CERTIFICATE OF SERVICE

On February 28, 2019, a true and correct copy of the foregoing was sent by electronic mail to the following:

Michael Jewell  
Attorneys for TEP Rocky Mountain, LLC  
mjewell@bflaw.com

Michael Eden  
Hearing Officer  
Colorado Oil & Gas Conservation Commission  
Michael.eden@state.co.us

  
\_\_\_\_\_  
Sheryl R. Gunter



4. 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.

5. No prior orders of the Commission have addressed Section 4 of the Application Lands. But the Application Lands within Section 3 have been the subject of several prior orders of the Commission.

6. On December 6, 2005, the Commission issued Order No. 139-52. Order No. 139-52 "removed the following lands from Order Nos. 139-14, 139-28 and 139-40 for the production of gas from the Mesaverde Group and placed [them] under the provisions of the Rules and Regulations of the Commission, including Rule 318:"

Township 6 South, Range 94 West, 6<sup>th</sup> P.M.  
 Section 1: Lots 3, 4, 5, 6, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$  (All)  
 Section 2: Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$  (All)  
 Section 3: Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$  (All)  
 Section 12: Lots 1, 2, 3, 4, 5, 6, 7, 8 (N $\frac{1}{2}$ )

7. The Commission changed course with respect to Section 3 of the Application Lands less than a year later. On April 24, 2006, the Commission issued Order No. 139-60 applicable to specified tracts within 37 sections in eight townships, including the following lands in Section 3 of the Application Lands:

Township 6 South, Range 94 West, 6<sup>th</sup> P.M.  
 Section 3: NE $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$

Order 139-60 ordered the equivalent of 10-acre density for all future Williams Fork Formation wells, with wells to be located downhole no closer than 100 feet from the outside boundaries of the unit or leasehold boundaries unless such unit abuts or corners lands not subject to 10-acre density, in which event the wells shall be drilled downhole no closer than 200 feet from the unit boundary or leasehold boundary absent an exception granted by the Commission.

8. No wells have been drilled to produce oil or gas from Section 4 of the Application Lands. But the following Williams Fork Formation wells recently have been permitted by the Commission to produce oil and gas from Section 3 of the Application Lands. Per Commission records, drilling operations have begun on some of these wells:

Well Name	API Number	Applicant
Clough NR 311-3	05-045-23903-00	TEP Rocky Mountain LLC

Clough NR 411-3	05-045-23900-00	TEP Rocky Mountain LLC
Clough NR 511-3	05-045-23914-00	TEP Rocky Mountain LLC
Clough NR 611-3	05-045-23906-00	TEP Rocky Mountain LLC
Clough NR 12-3	05-045-23921-00	TEP Rocky Mountain LLC
Clough NR 312-3	05-045-23922-00	TEP Rocky Mountain LLC
Clough NR 13-3	05-045-23924-00	TEP Rocky Mountain LLC
Clough NR 313-3	05-045-23920-00	TEP Rocky Mountain LLC
Clough NR 413-3	05-045-23907-00	TEP Rocky Mountain LLC
Clough NR 14-3	05-045-23901-00	TEP Rocky Mountain LLC
Clough NR 314-3	05-045-23915-00	TEP Rocky Mountain LLC
Clough NR 414-3	05-045-23911-00	TEP Rocky Mountain LLC

9. As permitted by Order No. 139-60, it appears from Commission records that the completed intervals of the permitted wells listed in paragraph 8 are located more than 200 feet, but less than 600 feet, from the western leasehold boundary between Section 3 and Section 4 of the Application Lands.

10. The Commission has recently reevaluated the 100-foot and 200-foot leasehold boundary location rules adopted in Order No. 139-60 and many other orders in the Piceance Basin. During August 2018 the Commission proposed that a new Basin-Wide Order issue establishing new east-west setbacks of 600 feet for wells drilled in the Piceance Basin to the Williams Fork and Iles Formations of the Mesaverde Group. This proposal by the Commission is based on new data assessed by the Commission and other stakeholders that, in recent years, has led to a better understanding of the reservoir and reservoir drainage patterns.

11. The Application Lands are within the lands proposed by the Commission for the new Basin-Wide Order.

12. Given this new understanding of the reservoir underlying the Application Lands, it is now apparent that the wells listed in paragraph 8 above that are now permitted by the Commission to be drilled less than 600 feet from the east-west leasehold boundary between Sections 3 and 4 will, in fact, drain lands in Section 4 in which Laramie owns 100 percent of the federal leasehold. With respect to the Application Lands, this injury may be cured by vacating Order No. 139-60 insofar as it applies to the Application Lands and adopting a new Order establishing the Application

Lands as a separate drilling and spacing unit subject to 10-acre well density and location requirements of 100 foot setbacks from the north-south unit or leasehold boundaries and 600 feet from the east-west unit or leasehold boundaries for all wells drilled to and producing from the Williams Fork and Iles Formations of the Mesaverde Group underlying the Application Lands.

13. The above-proposed drilling and spacing unit and field rules will allow more efficient, lawful and equitable drainage of the Williams Fork and Iles Formations of the Mesaverde Group, prevent waste, better protect correlative rights of all owners and assure the greatest ultimate recovery of oil, gas and associated hydrocarbons.

14. 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.

15. 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, with respect to the Application Lands, Order No. 139-60 be vacated.

b. The Commission should order that the Application Lands be established as a single approximate 350.13-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 northern and southern unit or leasehold boundary lines and 600 feet from the eastern and western unit and leasehold boundary lines 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 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 14<sup>th</sup> day of September, 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  
[david.little@steptoe-johnson.com](mailto:david.little@steptoe-johnson.com)  
[casey.breese@steptoe-johnson.com](mailto:casey.breese@steptoe-johnson.com)

Address of Applicant:

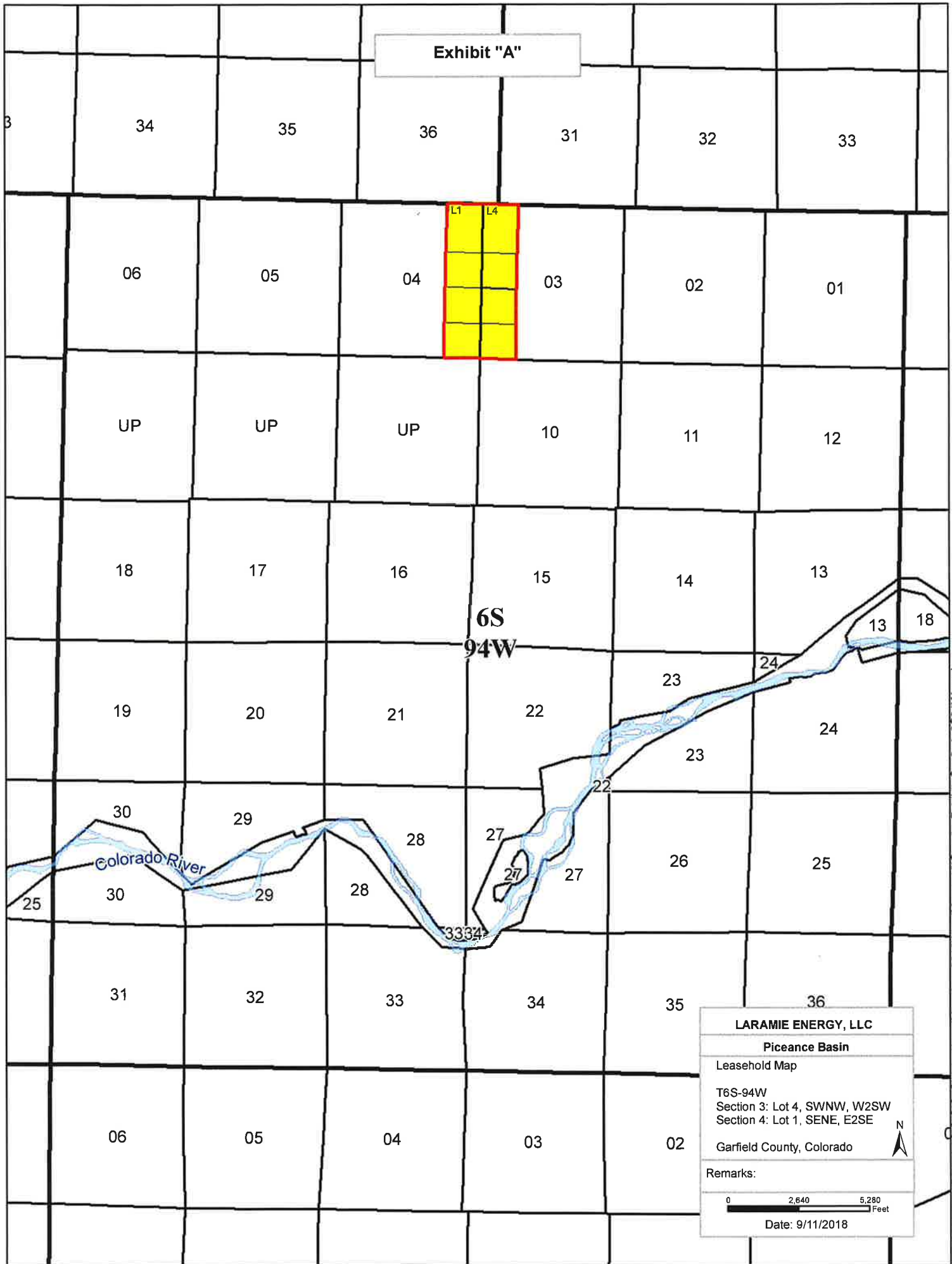
Laramie Energy, LLC (Operator No. 10433)  
1401 Seventeenth Street, Suite 1400  
Denver, CO 80202  
303-339-4400  
[bhinman@laramie-energy.com](mailto:bhinman@laramie-energy.com)







Exhibit "A"



<b>LARAMIE ENERGY, LLC</b>
<b>Piceance Basin</b>
Leasehold Map
T6S-94W
Section 3: Lot 4, SWNW, W2SW
Section 4: Lot 1, SENE, E2SE
Garfield County, Colorado
Remarks:
0 2,640 5,280 Feet
Date: 9/11/2018

**EXHIBIT B – INTERESTED PARTIES**

Spacing Application of Laramie Energy, LLC

Township 6 South, Range 94 West, 6<sup>th</sup> P.M.  
Section 3: Lot 4 (55.12 acres), SW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>, W<sup>1</sup>/<sub>2</sub>SW<sup>1</sup>/<sub>4</sub>  
Section 4: Lot 1 (55.01 acres), SE<sup>1</sup>/<sub>4</sub>NE<sup>1</sup>/<sub>4</sub>, E<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub>  
Garfield 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 80205

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

Kirby H. Wynn  
Local Government Designee  
Garfield County  
195 West 14<sup>th</sup> Street, Bld. D, Suite 306  
Rifle, CO 81650

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

Pearlstone Energy Partners LLC  
1460 Main Street, Suite 245  
Southlake, TX 76092-0000

TEP Rocky Mountain, LLC  
4828 Loop Central Drive, Suite 900  
Houston, TX 77081

EOG Y Resources Inc.  
600 17<sup>th</sup> Street, Suite 1000N  
Denver, CO 80202

EOG A Resources Inc.  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

EOG M Resources Inc.  
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

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

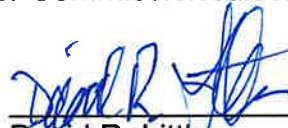
IN THE MATTER OF THE PROMULGATION ) CAUSE NO. \_\_\_\_\_  
AND ESTABLISHMENT OF FIELD RULES TO )  
GOVERN OPERATIONS IN THE RULISON ) DOCKET NO. 181200900  
FIELD, GARFIELD COUNTY, COLORADO )  
) TYPE: SPACING

CERTIFICATE OF SERVICE OF APPLICATION

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

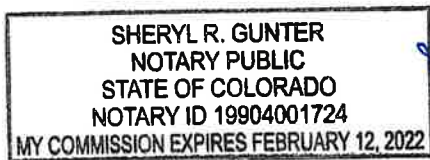
1. I am an attorney for Laramie Energy, LLC in the above-captioned matter. I have personal knowledge of the matters discussed in this Certificate of Service.

2. On September 17, 2018, I directed copies of the Application filed by Laramie Energy, LLC in Docket No. 181200900 to be deposited in the United States Mail, first class postage prepaid, addressed to the persons and entities listed on Exhibit B to the Application. As verified in the Application, Exhibit B lists all known interested parties entitled to notice of the Application under Commission rules.

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

Subscribed and sworn to before me on the 19<sup>th</sup> day of September, 2018.

Witness my hand and official seal.



  
Notary Public