

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

IN THE MATTER OF THE APPLICATION OF AXIA)
ENERGY, LLC FOR AN ORDER POOLING ALL)
INTERESTS IN THE MANCOS AND NIOBRARA)
FORMATIONS IN A 1027.90 ACRE EXPLORATORY)
DRILLING AND SPACING UNIT LOCATED IN)
MOFFAT COUNTY, COLORADO.)

Cause No. _____

Docket No. _____

APPLICATION

COMES NOW AXIA ENERGY, LLC (referred to herein as "Applicant"), by and through its undersigned attorneys, and makes application to the Colorado Oil and Gas Conservation Commission ("Commission"), for an order to pool all interests within a 1027.90 acre exploratory drilling and spacing unit for the drilling of the initial well, the Bulldog 6-31H-790 well ("Well") to produce from the Mancos and Niobrara Formations located on the following lands:

Township 7 North, Range 90 West, 6th P.M.

Section 6: Lots 8-10, 12-23; a/d/a NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, E $\frac{1}{2}$

Section 7: Lots 5-15; a/d/a N $\frac{1}{2}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$

Moffat County, Colorado (the "Application Lands").

In support thereof, the Applicant states and alleges as follows:

In support of its application, Applicant states and alleges as follows:

1. Applicant is a limited liability company duly authorized to conduct business in the State of Colorado, and is a registered operator in good standing with the Commission.

2. Applicant owns leasehold interests in a substantial portion of the Application Lands.

3. Currently, the Application Lands are subject to Commission Rule 318.a. which provides that a well to be drilled in excess of two thousand five hundred (2,500) feet in depth shall be located not less than six hundred (600) feet from any lease line, and shall be located not less than one thousand two hundred (1,200) feet from any other producible or drilling oil or gas well when drilling to the same source of supply, unless authorized by order of the Commission upon hearing. The Application Lands, however, are subject to a 1027.90 exploratory drilling and spacing unit application filed by Applicant concurrently with this Application.

4. Applicant, pursuant to the provisions of C.R.S. § 34-60-116 (6) & (7) and Commission Rule 530, seeks an order pooling all interests, including, but not limited to, any nonconsenting interests, in the Application Lands consisting of the 1027.90 acre drilling and spacing unit for the development of the Mancos and Niobrara Formations, said order to apply to the currently-proposed Well and any subsequent well drilled in the unit.

5. Applicant requests that the Commission's pooling order be made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Well to the Mancos and Niobrara Formations on the Application Lands.

6. Applicant certifies that copies of this Application will be served on all persons owning an interest in the mineral estate of the tracts to be pooled within seven (7) days of the date hereof, as required by Rule 507.b(2), and that at least thirty (30) days prior to the hearing on this matter, each such interest owner not already leased or voluntarily pooled will be offered the opportunity to lease, or to participate in the drilling of the well, and will be provided with the information required by Rule 530. The list of such interested parties is attached hereto as Exhibit A.

7. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands and the 1027.90 acre exploratory drilling and spacing unit for the Mancos and Niobrara Formations should be pooled for the orderly development of the formation, including any nonconsenting interests therein.

WHEREFORE, Applicant requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that upon such hearing, the Commission enter its order:

A. Pooling all interests in the Application Lands and 1027.90 acre exploratory drilling and spacing unit for the development of the Mancos and Niobrara Formations, including the currently-proposed Well and all subsequent wells.

B. Providing that the Commission's pooling order is made effective as of the earlier of the date of this Application, or the date that the costs specified in C.R.S. § 34-60-116(7)(b)(II) are first incurred for the drilling of the Well to the Mancos and Niobrara Formations on the Application Lands.

C. Providing that the interests of any owners with whom the Applicant has been unable to secure a lease or other agreement to participate in the drilling of the authorized well are pooled by operation of statute, pursuant to C.R.S. § 34-60-116(7), and made subject to the cost recovery provisions thereof with respect to all wells drilled to develop the Mancos and Niobrara Formations in the 1027.90 acre drilling and spacing unit comprising the Application Lands.

D. For such other findings and orders as the Commission may deem proper or advisable in this matter.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in May, 2012, notice be given as required by law, and that upon such hearing, the Commission enter its order consistent with Applicant's request as set forth above.

Dated: March ____, 2012

Respectfully submitted,

AXIA ENERGY, LLC

By: _____

Jamie L. Jost
Dante E. Tomassoni
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202

Applicant's Address:
Axia Energy LLC
ATTN: Tab McGinley
1430 Larimer Street, Suite 400
Denver, Colorado 80202

VERIFICATION

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

Tab McGinley, Vice President of Land, of Axia Energy, LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information, and belief.

Tab McGinley
Vice President of Land

Subscribed and sworn to before this ____ day of March, 2012.

Witness my hand and official seal.

My commission expires:

Notary Public

[SEAL]

**EXHIBIT A
INTERESTED PARTIES**

Axia Energy, LLC
Attn: Tab McGinley
1430 Larimer Street, Suite 400
Denver, CO 80202

Quicksilver Resources, Inc.
Attention: Scott Herstein
801 Cherry Street, Ste. 3700
Fort Worth, Texas 76102

SWEPI LP
Attention: Jane Harris
P.O. Box 576
Houston, TX 77001

Louis Pierre Johnson and Mary Kay Johnson
160 County Road 78
Craig, CO 81625

Ida E. Gordon, f/k/a Ida May Davis
532 Taylor Street
Craig, CO 81626

Julia Ann Easum Green
150 Du Rhu Drive #606
Mobile, AL 36608

Thomas P. Easum, Jr.
2340 Raintree Lake Circle
Merritt Island, FL 32953

David E. Warren
12000 Overbrook Road
Leawood, KS 66209

Martin E. Sims
2899 Country Club Blvd.
Orange Park, FL 32073

Roger L. Sims
3024 High Point Street
Wichita, KS 67205

OXY USA Inc.
Attn: Kent Wooley
5 Greenway Plaza, Suite 110
Houston, Texas 77046

Next Energy, LLC
Attention: Jack Overstreet
4600 South Ulster Street, Suite 1225
Denver, CO 80237

Petro-Hunt LLC
Attention: Jeff Herman
400 E. Broadway Ave., Suite 414
Bismarck, ND 58501

Allen I. Wright
11 Queens Wood Drive
Owego, NY 13827

Betty L. Adams
919 Pecan
Humboldt, KS 66748

Jon and Mary Thompson
2810 Old Broadmoor Road
Colorado Springs, CO 80906

Joyce Ann Renfro Hopkins
P.O. Box 60229 Cheyenne Street
New Stawn, KS 66839

Marcia Elaine Renfro Stithem
16675 142nd Road
Hoyt, KS 66440

Mary A. Pasia and Joe D. Pasia
3636 NE Kincaid
Topeka, KS 66617

Alice Lorraine Robinson
4827 SE Tecumseh Road
Berryton, KS 66409

James B. Oliphant
5 Ingleside Road
Upper Montclair, NJ 07043

The Simpson Ranch
40756 ST HWY 13
Craig, Co 81625

Charlene R. Powell
33237 N. 68th Place
Scottsdale, AZ 85262

Charolette Morrell
2711 North 75th Terrace
Kansas City, KS 66109

Dale Renfro
417 Lucien Street, Box 216
Onaga, KS 66521

Donald E. Wright
7239 Lowell Drive
Overland Park, KS 66204

Paul L. McCulliss
P.O. Box 3248
Littleton, CO 80161

Rockie Rogers Kephart
4375 Centennial Blvd.
Colorado Springs, CO 80919

Roger Stutzman
1306 Club House Court
Mansfield, TX 76063

Sharon K. Proctor and Steven R.
Getty
920 NW 39th
Topeka, KS 66618

Thomas J. Chamberlin
7619 N. Tatum Blvd.
Paradise Valley, AZ 85253

Thomas R. Rogers, Jeanette S.
Beckford and Harold L. Rogers
c/o Harold L. Rogers
2189 Ironwood Road
Fort Scott, KS 66701

Barbara J. Goral and Donna R.
Mahoney
P.O. Box 30
Victor, MT 59875

Carol Sue Johnson
P.O. Box 394
Miami, TX 79059

George Vaught, Jr.
P.O. Box 13557
Denver, CO 80201

Gustin Properties, LLC
1396 South Main Street
Nixa, MO 65714

Judith P. Tipton
17387 E. 1090 Road
Sweetwater, Ok 73666

Richard H. Winder
9115 Bontura Drive
Granbury, TX 76049

William E. Loudy
1396 South Main Street
Nixa, Mo 65714

James Laurence Jordan and Linda
Lee Jordan
P.O. Box 264
Dillon, MT 59725

Richard M. Padon
4934 Arapaho Trail
Billings, MT 59106

Tracy H. Winder
P.O. Box 27
Craig, CO 81626

Nottingham Land and Livestock
P.O. Box 969
Craig, CO 81625

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AFFIDAVIT OF MAILING

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

Jamie L. Jost, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Axia Energy, LLC, that on or before April __, 2012, she 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.

Jamie L. Jost

Subscribed and sworn to before me March __, 2012.

Witness my hand and official seal.

My commission expires: _____.

Notary Public