

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

IN THE MATTER OF THE APPLICATION OF  
AXIA ENERGY, LLC FOR AN ORDER  
ESTABLISHING AN APPROXIMATE  
2613.44-ACRE UNIT IN SECTIONS 3, 4, 9  
AND 10 TOWNSHIP 8 NORTH, RANGE 90  
WEST, 6<sup>TH</sup> P.M., IN AN UNNAMED FIELD,  
MANCOS AND NIOBRARA FORMATIONS,  
MOFFAT COUNTY, COLORADO

CAUSE NO. \_\_\_\_\_

DOCKET NO. \_\_\_\_\_

**APPLICATION**

Axia Energy, LLC ("Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this Application to the Colorado Oil and Gas Conservation Commission ("Commission"), pursuant to C.R.S. § 34-60-116(2), for an order establishing an 2613.44 acre unit for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara Formations covering certain described lands in Moffat County, Colorado and 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.
2. Applicant holds certain leasehold interests in the lands described below and will be the operator in the proposed unit:

Township 8 North, Range 90 West, 6<sup>TH</sup> P.M.  
Section 03: Lots 2, 5-18, SW $\frac{1}{4}$ NE $\frac{1}{4}$ ; a/d/a ALL  
Section 04: Lots 5-20; a/d/a ALL  
Section 09: Lots 1-16; a/d/a ALL  
Section 10: Lots 1-15, SE $\frac{1}{4}$ SE $\frac{1}{4}$ ; a/d/a ALL

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

A reference map of the Application Lands is attached hereto.

3. 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. There are no specific Commission Orders applicable to the Mancos and Niobrara Formations underlying the Application Lands.

4. The Mancos and Niobrara Formations in this area are defined as the stratigraphic equivalent of the interval between 8,060 feet and 11,934 feet as found in the Bulldog #20-12H-892 Well located in the SW/4NW/4 of Section 20, Township 8 North, Range 92 West, 6<sup>th</sup> P.M., Moffat County, Colorado. The Mancos and Niobrara Formations are a common source of supply underlying the Application Lands.

5. To promote efficient drainage within the Mancos and Niobrara Formations of the Application Lands, to protect correlative rights and to avoid waste, the Commission should establish a unit of approximately 2613.44-acres for the Application Lands.

6. No wells have been drilled and completed to the Mancos and Niobrara Formations on the Application Lands, or on lands in close proximity to the Application Lands.

7. That the above-proposed unit will allow efficient drainage of the Mancos and Niobrara Formations; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs. The unit of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by the proposed well in each such unit.

8. That the Applicant is requesting to drill and complete the appropriate number of wells in order to efficiently and economically recover the oil, gas and associated hydrocarbons from the 2613.44-acre unit. The Applicant states that each proposed horizontal well shall be located on the surface anywhere within the unit, or on adjacent lands, with the treated interval of any horizontal well to be no closer than 600' from the boundaries of the 2613.44-acre unit. The Applicant further maintains that the proposed horizontal wells will have no adverse effect on correlative rights of adjacent owners.

9. That the names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A attached hereto and made a part hereof, and the undersigned certifies that copies of this Application shall be served on each interested party within the next seven days as required by Rule 503.e.

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

Dated this 24<sup>th</sup> day of January, 2013.

Respectfully submitted,

AXIA ENERGY, LLC

By: Jamie L. Jost

Jamie L. Jost

Gregory J. Nibert Jr.

Beatty & Wozniak, P.C.

Attorneys for Applicant

216 16<sup>th</sup> Street, Suite 1100

Denver, Colorado 80202

(303)407-4499

Applicant's Address:

Axia Energy LLC

ATTN: Tab McGinley

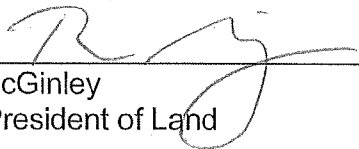
1430 Larimer Street, Suite 400

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 23<sup>RD</sup> day of January, 2013.

Witness my hand and official seal.

My commission expires:

[SEAL]



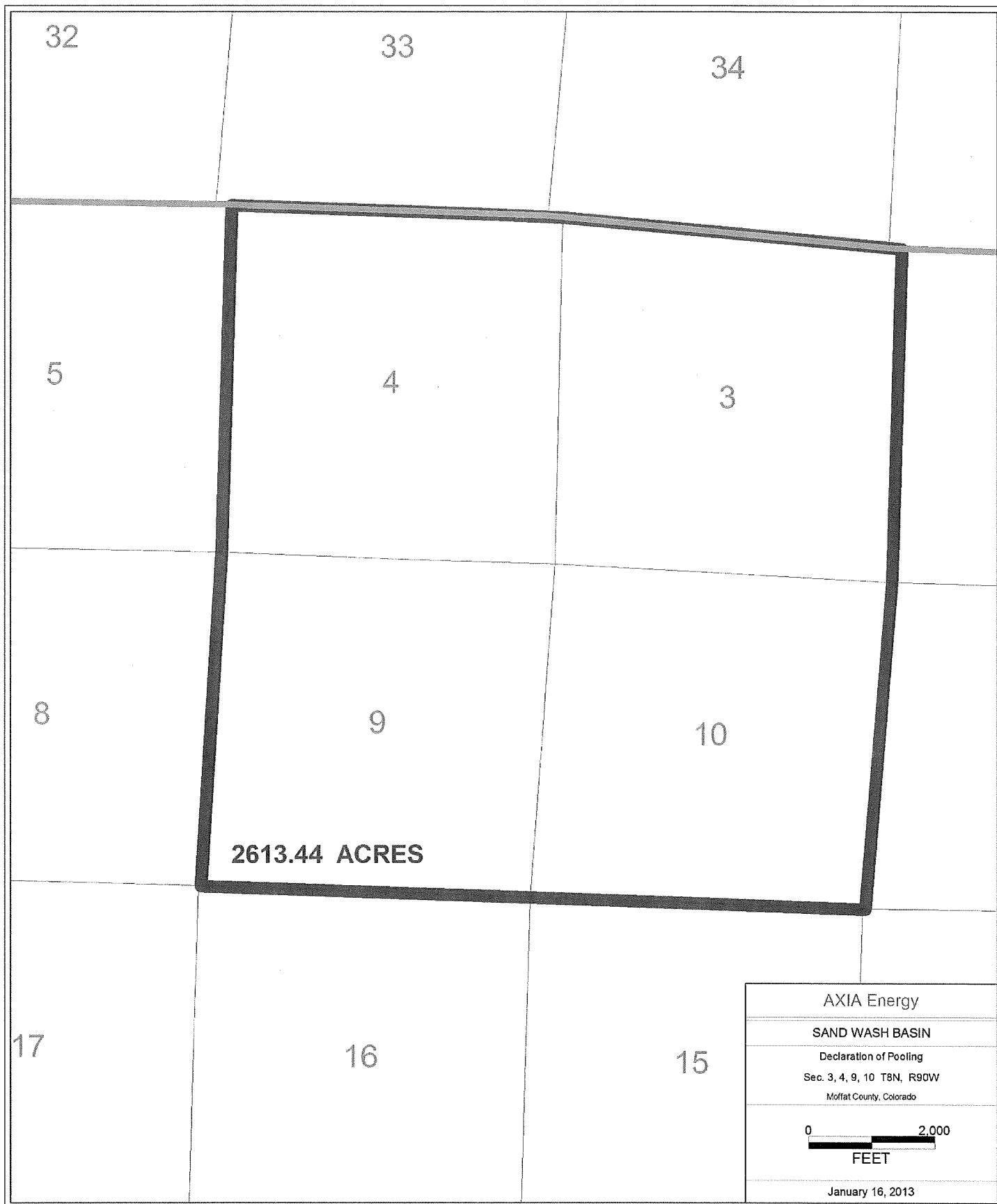
  
\_\_\_\_\_  
Notary Public

My Commission Expires 7/6/13

IN THE MATTER OF THE APPLICATION OF  
AXIA ENERGY, LLC FOR AN ORDER  
ESTABLISHING AN APPROXIMATE  
2613.44-ACRE UNIT IN SECTIONS 2, 3, 10,  
11, 14 AND 15 TOWNSHIP 7 NORTH,  
RANGE 91 WEST, 6<sup>TH</sup> P.M., IN AN  
UNNAMED FIELD, MANCOS AND  
NIOBRARA FORMATIONS, MOFFAT  
COUNTY, COLORADO

DOCKET NO. \_\_\_\_\_

**Notary Public**




IN THE MATTER OF THE APPLICATION OF  
AXIA ENERGY, LLC FOR AN ORDER  
ESTABLISHING AN APPROXIMATE  
2613.44-ACRE UNIT IN SECTIONS 3, 4, 9  
AND 10 TOWNSHIP 8 NORTH, RANGE 90  
WEST, 6<sup>TH</sup> P.M., IN AN UNNAMED FIELD,  
MANCOS AND NIOBRARA FORMATIONS,  
MOFFAT COUNTY, COLORADO

DOCKET NO. \_\_\_\_\_

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

Jamie L. Jost  
Jamie L. Jost

**TANYA S. COHEN**  
**NOTARY PUBLIC**  
**STATE OF COLORADO**  
NOTARY ID 20084038573  
MY COMMISSION EXPIRES NOV. 13, 2016

  
Notary Public

**EXHIBIT A**

AXIA ENERGY, LLC  
ATTN: TAB MCGINLEY  
1430 LARIMER STREET, SUITE 400  
DENVER, CO 80202

20 MILE SHEEP COMPANY, LLC  
35513 N. HWY 13  
CRAIG, CO 81625

OXY USA INC.  
ATTN: KATHLEEN BONI  
5 GREENWAY PLAZA, SUITE 110  
HOUSTON, TEXAS 77046

BILL M. & MARYLOU WISDOM  
43637 N HWY 13  
CRAIG, CO, 81625

QUICKSILVER RESOURCES, INC.  
ATTENTION: SCOTT HERSTEIN  
801 CHERRY STREET, STE. 3700  
FORT WORTH, TEXAS 76102

LEONA DANNER (DEC) C/O THOMAS  
DANNER  
8 RODMAN LANE  
PLYMOUTH, MA 02360

YATES DRILLING COMPANY  
ATTN:  
105 S. 4TH STREET  
ARTESIA, NM 88210

ISABELLE FEATHERS C/O DIANA HUNT  
300 TUDOR CT.  
SANTA ROSA, CA 95401

YATES PETROLEUM CORPORATION  
ATTN:  
105 S. 4TH STREET  
ARTESIA, NM 88210

BARBARA J. GORAL & DONNA R. MAHONEY  
P.O. BOX 30  
VICTOR, MT 59875-0030

MYCO INDUSTRIES, INC.  
ATTN:  
423 WEST MAIN STREET  
ARTESIA, NM 88210

ROBIN HERRING  
848 E. 11<sup>TH</sup>  
CRAIG, CO 81625

ABO PETROLEUM CORPORATION  
ATTN:  
105 S. 4TH STREET  
ARTESIA, NM 88210

KRISTIN L. PRESCOTT  
17512 83RD PLACE NE, APT. C204,  
KENMORE, WA 98028-1891

THE BOARD OF COUNTY COMMISSIONERS  
OF MOFFAT COUNTY, STATE OF COLORADO  
221 W. VICTORY WAY  
CRAIG, CO 81625

GAIL LYNN REUST & DIANE SUE BUTLER  
1701 NEW HAVEN DR.  
GLEN ALLEN, VA 23059

U.S.A. C/O BUREAU OF LAND MANAGEMENT  
2850 YOUNGFIELD STREET,  
LAKEWOOD, CO 80215

EVELYN RICE C/O SALLEY A. GRIFFIN PR  
830 FRANK ROAD  
BELGRADE, MT 59714



GEORGE G. MERCHANT  
PO BOX 2613  
EVERGREEN CO 80437

OIL AND GAS TRUST UNDER A.M. CULVER  
TRUST DATED 11/18/1970  
PO BOX 81045  
SAN DIEGO, CA 92138

CAROLYN L. OWER  
26223 COUNTY ROAD M  
CORTEZ, CO 81321

EXCO, INC.  
PO BOX 6046  
DENVER, CO 80206

BRYCE MILLER  
2629 MCGREGOR BLVD  
FERNANDINA BEACH, FL 32034

GEORGE HARPER  
PO BOX 1738  
CARBONDALE, CO 81623

CYNTHIA L. GASKILL  
PO BOX 13726  
LEXINGTON, KY 40583

CAROL DEAN MURPHY  
PO BOX 97  
FRASER, CO 80442

SALLY MILLER SAKALA  
6723 E. HEATHER DRIVE  
MESA, AZ 85215

JARRETT F. COOK, AS TRUSTEE OF THE  
JARRETT F. COOK LIVING TRUST, DATED  
4/7/2005  
4055 COUNTY ROAD 501  
BAYFIELD, CO 81122

FRANK MILLER JR.  
3935 DOUGLAS MOUNTAIN DRIVE  
GOLDEN, CO 80403

LITTLE SNAKE FIELD OFFICE  
BUREAU OF LAND MANAGEMENT  
ATTENTION: MARTY O'MARA  
455 EMERSON STREET  
CRAIG, COLORADO 81625

LINDA M. MILLER  
6723 E. HEATHER DRIVE  
MESA, AZ 85215

JEFF COMSTOCK  
MOFFAT COUNTY  
221 W VICTOR WAY, SUITE 130  
CRAIG, CO 81625

TRENT A. MILLER  
3935 DOUGLAS MOUNTAIN DRIVE  
GOLDEN, CO 80403

KENT KUSTER  
COLORADO DEPARTMENT OF  
PUBLIC HEALTH & ENVIRONMENT  
4300 CHERRY CREEK DRIVE SOUTH  
DENVER, CO 80246-1530

ROSALYN CULVER TRUST DATED 9/10/2009  
PO BOX 81045  
SAN DIEGO, CA 92138

MICHAEL WARREN  
ENERGY LIAISON  
COLORADO PARKS AND WILDLIFE  
NORTHWEST REGIONAL OFFICE  
711 INDEPENDENT AVE.  
GRAND JUNCTION, CO 81505