

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

IN THE MATTER OF THE APPLICATION OF  
AXIA ENERGY, LLC FOR AN ORDER TO  
POOL ALL INTERESTS IN AN  
APPROXIMATE 2533.55-ACRE UNIT  
LOCATED IN SECTIONS 17, 18, 19 AND 20  
TOWNSHIP 8 NORTH, RANGE 93 WEST,  
6TH P.M., IN AN UNNAMED FIELD, MANCOS  
AND NIOBRARA FORMATIONS, 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 2533.55-acre unit Mancos and Niobrara Formations located on the following lands:

Township 8 North, Range 93 West, 6<sup>TH</sup> P.M.

Section 17: ALL

Section 18: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$ ; a/d/a ALL

Section 19: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$ ; a/d/a ALL

Section 20: Lots 1-3, N $\frac{1}{2}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ , E $\frac{1}{2}$ ; a/d/a ALL

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

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 and will be the operator in the 2533.55-acre unit.

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 2533.55-acre 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 2533.55-acre unit for the development of the Mancos and Niobrara Formations, said order to apply to the Bulldog EDSU 17-11H-893 Well ("Well") and any subsequent wells 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, or any subsequent well drilled in the unit 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 2533.55-acre 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 2533.55-acre unit for the development of the Mancos and Niobrara Formations.

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 or any subsequent well drilled in the unit 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 2533.55-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 March, 2013, 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: January 24, 2013

Respectfully submitted,

AXIA ENERGY, LLC

By: 

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)

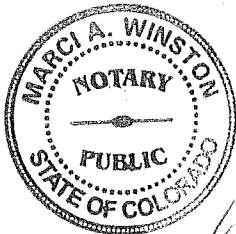
Tab McGinley, Vice President of Land, of Axia Energy, LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information, and belief.

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]

Marci A. Winston  
Notary Public

### *My Commission Expires*

7/6/13

IN THE MATTER OF THE APPLICATION OF  
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Docket No. \_\_\_\_\_

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

That she is the attorney for Axia Energy, LLC, that on or before January 31, 2013, 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. Tost

**Jamie L. Jost**

Witness my hand and official seal.

My commission expires: 10-04-13



  
Notary Public

**EXHIBIT A**

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

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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 February 8, 2013, 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.

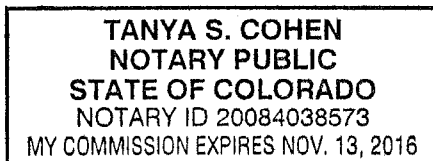
*Jamie L. Jost*

Jamie L. Jost

Subscribed and sworn to before me January 31, 2013.

Witness my hand and official seal.

My commission expires: 11/13/2016.



*Tanya S. Cohen*  
Notary Public

## EXHIBIT A

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

JOHN ALFRED SMITH ESTATE C/O  
KENNETH DALE SMITH  
9908 W. 147TH ST.  
OVERLAND PARK, KS 66221

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

GLORIA J. NICKELL  
87864 LIMPIT LANE  
FLORENCE, OR 97439

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

ROLLINS INVESTMENT CO.  
2330 BAKER DRIVE  
CRAIG, CO 81625

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

BEAKON OIL & GAS, INC.  
PO BOX 1264  
BROWNWOOD, TX 75791

CLARENCE F. SMITH ESTATE  
C/O PATRICK SMITH ET AL  
2508 SCOTTSDALE  
LAWRENCE, KS 66047

REX ROSS WALKER  
911 KIMBARK STREET  
LONGMONT, CO 80501

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ANDY AND ARGIE PEROULIS FAMILY  
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SHAWNEE, KS 66216

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## EXHIBIT A

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LAKEWOOD, CO 80227

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THE R.S. ROBERTSON FAMILY TRUST  
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CRAIG, CO 81625

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SPRINGVILLE, UT 84663

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**EXHIBIT A**

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