

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 2537.82-  
ACRE DRILLING AND SPACING UNIT IN  
SECTIONS 17, 18, 19 AND 20, 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 2537.82-acre drilling and spacing unit for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara Formations in the following lands:

Township 8 North, Range 90 West, 6TH P.M.

Section 17: Lots 1-16; a/d/a ALL

Section 18: Lots 5-20; a/d/a ALL

Section 19: Lots 5-20; a/d/a ALL

Section 20: Lots 1-16; a/d/a ALL

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

In support thereof, 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 Application Lands and will be the operator in the proposed unit. A reference map of the Application Lands is attached hereto.
3. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that wells drilled in 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 other 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 an approximate 2537.82-acre drilling and spacing unit for the Application Lands.

6. No wells have been drilled and completed to the Mancos and Niobrara Formations on the Application Lands.

7. Applicant asserts that the approximate 2537.82-acre drilling and spacing 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. Applicant requests it be authorize the appropriate number of wells in order to effectively and efficiently recover the oil, gas and associated hydrocarbons from the proposed unit, with a limit of eight horizontal wellpads per section on the Application Lands, or located on adjacent lands, with the treated interval of any horizontal well to be no closer than 600 feet from the 2537.82-acre drilling and spacing unit boundaries, without exception being granted by the Director. 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:

A. Establishing the Application Lands as an approximate 2537.82-acre drilling and spacing unit for the Mancos and Niobrara Formations.

B. Authorizing the appropriate number of wells in order to effectively and efficiently recover the oil, gas and associated hydrocarbons from the proposed unit, with a limit of eight horizontal wellpads per section on the Application Lands, or located on adjacent lands, with the treated interval of any horizontal well to be no closer than 600 feet from the 2537.82-acre drilling and spacing unit boundaries without exception being granted by the Director.

C. Finding that the approximate 2537.82-acre drilling and spacing unit will prevent waste, protect correlative rights, and will maximize the efficient and economic production of the Mancos and Niobrara Formations on the Application Lands; and

D. Granting any other relief as may be appropriate.

Dated this \_\_\_\_ day of July, 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)

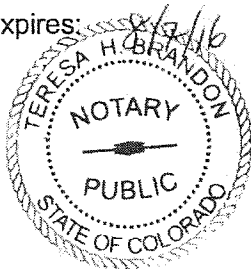
Tab McGinley, Vice President of Land, of Axia Energy, LLC, upon oath deposes and says that he has read the foregoing Application and that the statements contained therein are true to the best of his knowledge, information, and belief.

  
\_\_\_\_\_  
Tab McGinley  
Vice President of Land

Subscribed and sworn to before this 18<sup>th</sup> day of July, 2013.

Witness my hand and official seal.

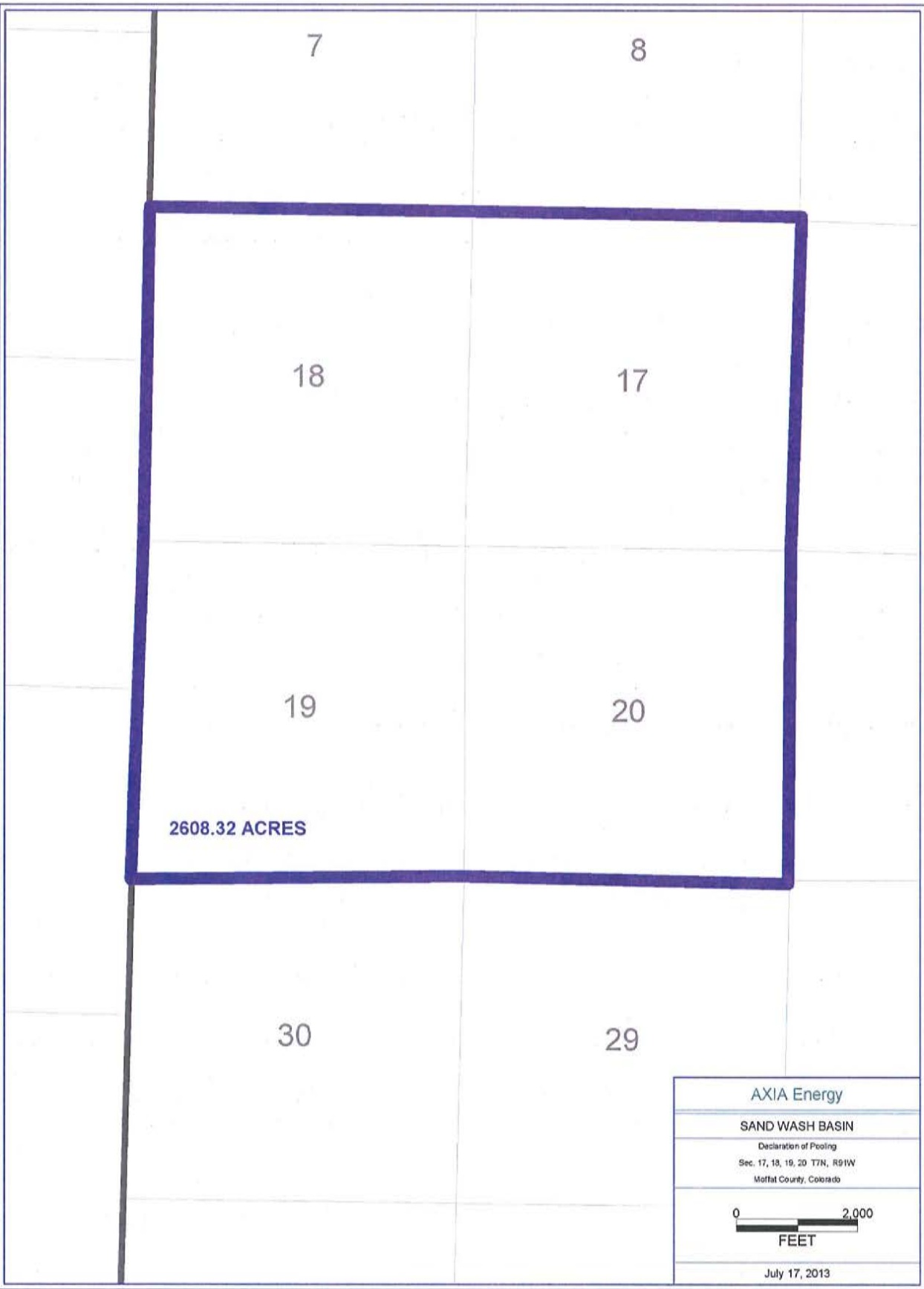
My commission expires:



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

[SEAL]

AXIA  
SPACING REFERENCE MAP  
BULLDOG EDSU – 17-18-19-20-791



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AFFIDAVIT OF MAILING

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

Gregory J. Nibert, Jr. of lawful age, and being first duly sworn upon his oath, states and declares:

That he is the attorney for Axia Energy, LLC, that on or before July \_\_\_\_, 2013, he 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.

\_\_\_\_\_  
Gregory J. Nibert, Jr.

Subscribed and sworn to before me July 18, 2013.

Witness my hand and official seal.

My commission expires: 3/31/15.

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

MARY GRACE T. GO-HOVELAND  
Notary Public  
State of Colorado

## EXHIBIT A

AXIA ENERGY, LLC  
1430 LARIMER STREET, SUITE 400  
DENVER, CO 80202

A. G. ANDRIKOPOULOS RESOURCES, INC.  
PO BOX 788  
CHEYENNE, WY 82003

OXY USA INC.  
5 GREENWAY PLAZA, SUITE 110  
HOUSTON, TEXAS 77046

HERITAGE ENERGY RESOURCES, INC.  
7310 SOUTH ALTON WAY, SUITE 6D  
CENTENNIAL, CO 80112

BEARTOOTH OIL AND GAS COMPANY  
PO BOX 2654  
BILLINGS, MT 59103

ROBERT P. VERNON  
1125 17TH STREET, SUITE 2360  
DENVER, CO 80202

HRM RESOURCES, LLC  
410 17TH STREET, SUITE 1200  
DENVER, CO 80202

R & M OIL AND GAS, LTD.  
PO BOX 426  
GOLDEN, CO 80402

SWEPI LP  
PO BOX 576  
HOUSTON, TX 77001

WEXPRO COMPANY  
180 EAST 100 SOUTH  
PO BOX 45601  
SALT LAKE CITY, UT 81845-0601

KAISER-FRANCIS OIL COMPANY  
6733 SOUTH YALE AVENUE  
TULSA, OK 74121-1468

A.S. GENECOV  
POB 132450  
TYLER, TX, 75713-2450

QEP ENERGY COMPANY  
1050 17TH STREET, SUITE 500  
DENVER, CO 80265-1050

ADDIE BRACKEN PRICE  
PO BOX 130129  
TYLER, TX, 75713-0129

ANDERMAN OILS WYOMING, INC.  
1776 LINCOLN STREET, SUITE 500  
DENVER, CO 80203

ADDIE BRACKEN PRICE TRUST  
J A & R S BRACKEN TRUSTEES  
PO BOX 130129, TYLER, TX, 75713-0129

DAB RESOURCES  
1776 LINCOLN STREET, SUITE 500  
DENVER, CO 80203

BRAD A. WINDER  
1082 BREEZE ST  
CRAIG, CO 81625-0000

GENERAL COUNCIL OF THE ASSEMBLY OF  
GOD  
1661 NORTH BOONEVILLE AVE.  
SPRINGVILLE, MO 65803

GLEN H. BRACKEN  
3420 BLACKBURN  
DALLAS, TX, 75219

KRISTIN MICHELLE KRAKER  
2930 CREEKWOOD DRIVE SOUTH  
GRAPVINE, TX, 76051

GLEN H. BRACKEN TRUST  
J A & R S BRACKEN TRUSTEES  
3420 BLACKBURN  
DALLAS, TX, 75219

LAWRENCE CONSOLIDATED ENTERPRISES  
POB 180  
TYLER, TX, 75710-0000

J. PAUL PRICE  
PO BOX 34087  
SAN ANTONIO, TX, 78265-4087

MARTHA MARSHALL  
POB 91139  
SAN ANTONIO, TX, 78209-0000

JAMES GARRETT  
8826 VISTA OAKS CIRCLE  
DALLAS, TX 75243

MARY JON BRYAN  
ATTN: MELINDA K ERICKSON,  
445 E CHEYENNE MTN BLVD, STE C #403-  
PMB  
COLORADO SPRINGS, CO, 80906  
PLC O&G PROPERTIES LP  
PO BOX 470574  
FORT WORTH, TX, 76147-0574

JEFF M. BRACKEN  
3600 OLD BULLARD RD  
TYLER, TX, 75701

RANCHO GRECO  
893 STOUT ST  
CRAIG, CO 81625

JEFF M. BRACKEN TRUST  
JA & RS BRACKEN-TRUSTEES  
3600 OLD BULLARD RD  
TYLER, TX, 75701

JOAN R WINDER  
1082 BREEZE ST  
CRAIG, CO 81625-0000

REX N. WINDER  
1082 BREEZE ST  
CRAIG, CO 81625-0000

JOHN N CLAWSON FAMILY PARTNERSHIP  
PO BOX 29585  
SAN FRANCISCO, CA 94129-0585

SAM T. BRACKEN  
ATTN: NANCY BRACKEN WALDEN  
POB 8029  
TYLER, TX, 75711-8029

JOHN N. MERKERT AND D. ROBERT  
MCINTYRE  
7466 SOUTH KENDALL BLVD  
LITTLETON, CO 80123-0000

SAM T. BRACKEN TRUST  
J A & R S BRACKEN TRUSTEES  
POB 8029  
TYLER, TX, 75711-8029

JOSEPH W. & EMMA JEAN JONES  
THEROUX  
PO BOX 367  
BROOKDALE, CA 95007

SATER FAMILY PARTNERSHIP LP  
ATTN: RONALD SATER  
POB 2509  
EVANSVILLE, IN, 47728-0509

SCOTT R. WINDER  
1082 BREEZE ST  
CRAIG, CO 81625-0000

SMITH RANCH LAND & LIVESTOCK LLC  
PO BOX 215  
CRAIG, CO, 81626-0215

THE RUDMAN PARTNERSHIP  
1700 PACIFIC AVE, STE 4700  
DALLAS, TX, 75201-4670

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

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

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

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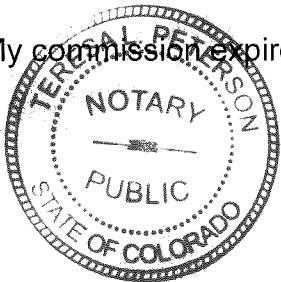
DOCKET NO. 1309-SP-1157

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

That he is the attorney for Axia Energy, LLC and that on or before August 15, 2013 he caused a copy of the above-captioned Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed below:

  
Gregory J. Nibert Jr.

My commission expires: 10-04-13



Gerson L. Lites  
Notary Public