

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

IN THE MATTER OF THE **AMENDED**
APPLICATION OF AXIA ENERGY, LLC FOR AN
ORDER ESTABLISHING AN APPROXIMATE
2584.52-ACRE UNCONVENTIONAL RESOURCE
UNIT IN SECTIONS 29, 30, 31 AND 32,
TOWNSHIP 8 NORTH, RANGE 91 WEST, 6TH
P.M., FOR THE MANCOS AND NIOBRARA
FORMATIONS, UNNAMED FIELD, MOFFAT
COUNTY, COLORADO

CAUSE NO. 540

DOCKET NO. 1309-SP-1177

AMENDED APPLICATION

Axia Energy, LLC ("Applicant"), by and through its attorneys, Beatty & Wozniak, P.C., respectfully submits this **amended application** to the Colorado Oil and Gas Conservation Commission ("Commission"), pursuant to C.R.S. § 34-60-116(2), for an order establishing an **2584.52-acre unconventional resource unit** for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara Formations in the following lands:

Township 8 North, Range 91 West, 6TH P.M.

Section 29: All

Section 30: **All; a/d/a Lots 5-9, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$**

Section 31: **Lots 5-7, 10-13, 16, NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$**

Section 32: **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, 6th

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 **2584.52-acre unconventional resource unit** for the Application Lands.

6. No vertical, directional or horizontal wells have been drilled and completed to the Mancos and Niobrara Formations on the Application Lands.

7. Applicant asserts that the approximate **2584.52-acre unconventional resource 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.

8. Applicant requests it be authorize the appropriate number of vertical, directional or horizontal wells in order to effectively and efficiently recover the oil, gas and associated hydrocarbons from the proposed unit, with a limit of **four wellpads** per section on the Application Lands, or located on adjacent lands, with the treated interval of any well to be no closer than 600 feet from the **2584.52-acre unconventional resource unit** boundaries, without exception being granted by the Director. Applicant further maintains that the proposed 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 **2584.52-acre unconventional resource unit** for the Mancos and Niobrara Formations.

B. Authorizing the appropriate number of vertical, directional or horizontal wells in order to effectively and efficiently recover the oil, gas and associated hydrocarbons from the proposed unit, with a limit of **four wellpads** per section on the Application Lands, or located on adjacent lands, with the treated interval of any well to be no closer than 600 feet from the **2584.52-acre unconventional resource unit** boundaries, without exception being granted by the Director.

C. Finding that the approximate **2584.52-acre unconventional resource 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 7th day of October, 2013.

Respectfully submitted,

AXIA ENERGY, LLC

By: 

Jamie L. Jost

Gregory J. Nibert Jr.

Beatty & Wozniak, P.C.

Attorneys for Applicant

216 16th 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 Amended Application and that the statements contained therein are true to the best of his knowledge, information, and belief.



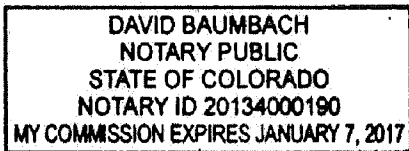
Tab McGinley
Vice President of Land

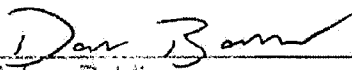
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Subscribed and sworn to before this 7 day of October, 2013.

Witness my hand and official seal.

My commission expires:

[SEAL]





Notary Public

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AFFIDAVIT OF MAILING

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

Jennifer Pittenger, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is a Legal Assistant for Beatty and Wozniak P.C., attorneys for Axia Energy, LLC, that on or before October 8, 2013, she caused a copy of the attached Amended Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

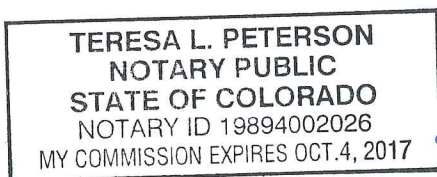


Jennifer Pittenger

Subscribed and sworn to before me October 7, 2013.

Witness my hand and official seal.

My commission expires: 1 _____.





Notary Public

EXHIBIT A

Axia Energy, LLC
1430 Larimer Street, Suite 400
Denver, CO 80202

Oxy Usa Inc.
5 Greenway Plaza, Suite 110
Houston, TEXAS 77046

U.S.A. C/O Bureau Of Land Management
2850 Youngfield Street,
Lakewood, CO 80215

David Myrick, Jr.
PO Box 691425
San Antonio, TX 78269

Estate Of F.E. Kimball, C/O Neal J. Kimball
526 Quailbrook Ct.
San Jose, CA 95110

Estate Of Ray Kimball, C/O Steve R. Kimball
2440 Quail Run Dr.
Medford, OR 97504

Evalyn Jane Linder
104 S.E. 51st Street
Oklahoma City, OK 73129

Mark D. McDonald
4208 Cabell Dr., Unit 532
Dallas, TX 75204

Mary Ellen Thomas,
Heir Of Ronald M. Wild
13138 Caminito Mendiola
San Diego, CA 92130

Michael D. McDonald
6420 Pierce St.
Arvada, CO 80003

Jeff Comstock
Moffat County
221 W Victor Way, Suite 130
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Kent Kuster
Colorado Department Of
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Denver, CO 80246-1530

Michael Warren
Energy Liaison
Colorado Parks And Wildlife
Northwest Regional Office
711 Independent Ave.
Grand Junction, CO 81505

