

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 2360-
ACRE DRILLING AND SPACING UNIT IN
SECTIONS 13, 14, 23 AND 24, 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

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 2360-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 93 West, 6TH P.M.

Section 13: All

Section 14: N $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$

Section 23: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

Section 24: 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 2360-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 2360-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 2360-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 2360-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 2360-acre drilling and spacing unit boundaries without exception being granted by the Director.

C. Finding that the approximate 2360-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 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 Application and that the statements contained therein are true to the best of his knowledge, information, and belief.

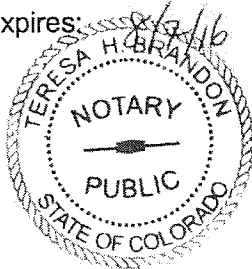


Tab McGinley
Vice President of Land

Subscribed and sworn to before this 18th day of July, 2013.

Witness my hand and official seal.

My commission expires:

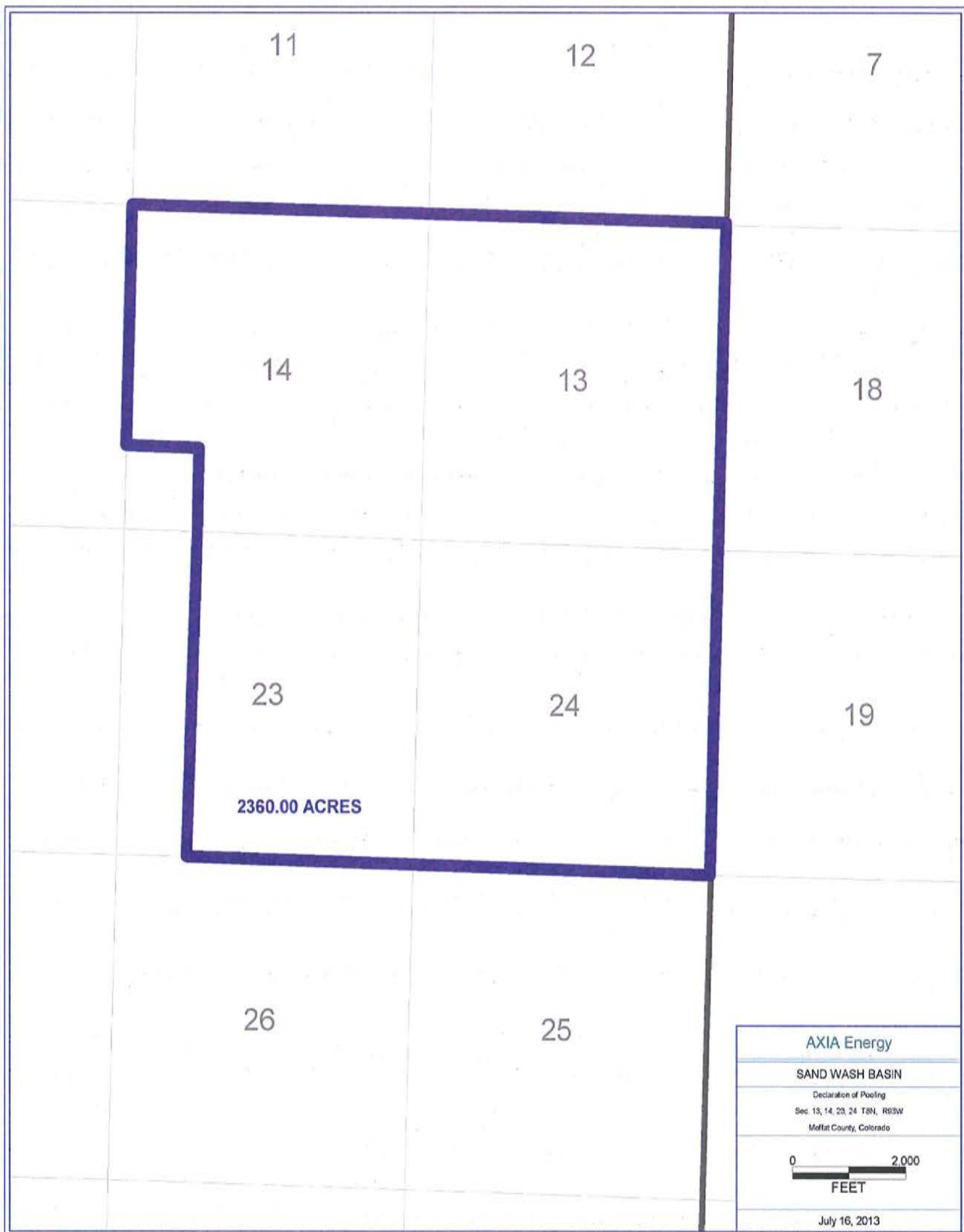


[SEAL]



Notary Public

AXIA
SPACING REFERENCE MAP
BULLDOG EDSU – 13-14-23-24-893



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DOCKET NO. _____

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

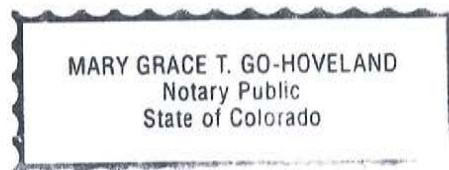


EXHIBIT A

ANADARKO PETROLEUM CORPORATION
P.O. BOX 1330
HOUSTON, TX 77251

BEAKON OIL AND GAS, INC.
PO BOX 1264
BROWNWOOD, TX 76804

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

BILLY WAYNE BLAIR
480 GUNNISON WAY
GRAND JUNCTION, CO 81504

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

BORD GULCH RANCH, LLC
PO BOX 36
CRAIG, CO 81626-0036

QUICKSILVER RESOURCES, INC.
801 CHERRY STREET, STE. 3700
FORT WORTH, TEXAS 76102

BP AMERICA PRODUCTION COMPANY
200 EAST RANDOLPH
CHICAGO, IL 60601

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

CAROL LEE HOLLY
1378 WEST 250 SOUTH
VERNAL, UT 8407-2926

ANDREW PEROULIS AND ARGIE T PEROULIS AS
INDIVIDUALS AND AS MANAGERS OF THE ANDY
AND ARGIE PEROULIS FAMILY LIMITED
PARTNERSHIP, A COLORADO LIMITED
PARTNERSHIP, AND AS TRUSTEES OF THE
ANDREW AND ARGIE T PEROULIS MINERAL
TRUST DATED OCTOBER 27, 1999
PO BOX 683
CRAIG, CO 81626-0683

CAROLYN R. MOON REVOCABLE TRUST DTD
7/12/2006
PO BOX 23
HAYDEN, CO 81639

COUNTY OF MOFFAT, STATE OF COLORADO
221 WEST VICTORY WAY, SUITE 130
CRAIG, CO 81625

ANN B. STUBBLEFIELD
15389 AUDRAIN ROAD 821
MEXICO, MO 65265

CRYSTAL LEE SMITH
1378 WEST 250 SOUTH
VERNAL, UT 8407-2926

ANNA LEE HARRIS
201 MUSTANG ISLAND TRAIL
GEORGETOWN, TX 78633

C-WALL INVESTMENT COMPANY, LLC
685 WEST ESCALANTE DRIVE
ST GEORGE, UT 84790

BARBARA J. GORAL AND DONNA R. MAHONEY
PO BOX 30
VICTOR, MT 59875

CYNTHIA E. MASON LIVING TRUST
2941 WAR EAGLE DR
LAKE HAVASU CITY, AZ 86406-8472

DANIEL V. VARHUS
855 WARNE CT
ELBURN, IL, 60119

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SAN ANTONIO, TX, 782581614

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1150 NORTH 150 EAST
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LARRY K. WINSLOW, TRUSTEE OF THE LARRY
K. WINSLOW LIVING TRUST DTD 11/6/98
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1846 N 66TH STREET
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WINTER PARK, FL 32789

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HAYS, KS 67601

FRANK GLENN SHEPHERD
3491 KELLOG PLACE
WESTMINSTER, CO 80031

MARY B DOCKSTADER fka MARY B. GRECO
3987 LUPINE DRIVE EAST 1/2
VAIL, CO 81657

GEORGE AND EVELYN MANEOTIS FAMILY
TRUST
137 WOODBURY DRIVE
CRAIG, CO 81625

MARY B. MCLEOD ESTATE
C/O LORNA M HUGHES
RT 3 BOX 250
BARTLESVILLE, OK, 74003

GERALD CULVERWELL AND ROBERTA
CULVERWELL, HUSBAND AND WIFE (D.B.A. RIO
RO MO LAND COMPANY)
3650 W. 6TH ST
CRAIG, CO 81625
HIDDESSON FAMILY TRUST
1846 N 66TH STREET
MESA, AZ 85205

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2996 CRUISE WAY
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DECATUR, AL 35601

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DALLAS, TX 75244

MARY LYNN BADARACCO
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KANSAS CITY, MO 64113

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LONA MADDEN, REMAINDERMEN
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HELENA, MT 59601

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RAMONA MARIE CARTER
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COLORADO SPRINGS, CO 80904

REX ROSS WALKER
911 KIMBARK STREET
LONGMONT, CO 80501

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CRAIG, CO 81625

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TULSA, OK 74103

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PARACHUTE, CO 81635

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LAKEWOOD, CO 80226

ROSS OIL COMPANY
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TYLER, TX 75702

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JACKSON MS 39211

SHARKTOOTH RESOURCES, LTD.
PO BOX 577
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WICHITA, KS 67202

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HIGHLANDS RANCH, CO 80126

VIRGINIA R SMITH
9650 SOUTH BELLMORE LANE
HIGHLANDS RANCH, CO 80126

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