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 2537.82-ACRE UNIT LOCATED IN SECTIONS 17, 18, 19 AND 20, TOWNSHIP 8 NORTH, RANGE 90 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 its attorneys, Beatty & Wozniak, P.C., and makes this application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order to pool all interests within an approximate 2537.82-acre drilling and spacing unit or the development of the Mancos and Niobrara Formations on the following described 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 (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 2537.82-acre unit.
- 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. Applicant has concurrently filed with this Application a spacing application ("Spacing Application") requesting that the Commission establish an approximate 2537.82-acre drilling and spacing unit for the Application Lands, requesting to drill and complete an appropriate number of wells in order to efficiently and economically recover the oil, gas and associated hydrocarbons from within the unit for the development of the Mancos and Niobrara Formations. Said Spacing Application is scheduled to be heard at the September 19, 2013 Commission Hearing.

- 5. Applicant, pursuant to Commission Rule 530 and/or the provisions of C.R.S. § 34-60-116 (6) and (7), hereby requests an order pooling all interests, including, but not limited to, any nonconsenting interests, in the Application Lands consisting of the 2537.82-acre drilling and spacing unit for the development of the Mancos and Niobrara Formations, said order to apply to the Bulldog EDSU 17-18-19-20-890 ("Well") and the seven subsequent wells drilled in the unit.
- 6. 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 of the seven subsequent well drilled in the unit to the Mancos and Niobrara Formations on the Application Lands.
- 7. Applicant confirms that the nonconsenting parties' interests in the first eight wells drilled and completed in the 2537.82-acre drilling and spacing unit will be subject to the nonconsent penalties set forth in C.R.S. § 34-60-116(7). If Applicant elects to drill more than eight wells, Applicant will notify nonconsenting parties and give them an opportunity to participate pursuant to Rule 530.
- 8. 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 wells, and will be provided with the information required by Rule 530. The list of such interested parties is attached hereto as Exhibit A.
- 9. That in order to prevent waste and to protect correlative rights, all interests in the Application Lands and the 2537.82-acre drilling and spacing unit for the Mancos and Niobrara Formations should be pooled for the orderly development of the formation, including any nonconsenting interests therein.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing in September, 2013, 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 2537.82-acre drilling and spacing 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 of the seven subsequent wells 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 the first eight wells drilled to develop the Mancos and Niobrara Formations in the 2537.82-acre drilling and spacing unit comprising the Application Lands.
- D. Providing that the nonconsenting parties' interests in the first eight wells drilled and completed in the 2537.82-acre drilling and spacing unit will be subject to the nonconsent penalties set forth in C.R.S. § 34-60-116(7).

E. For such other findings and orders as the Commission may deem proper or advisable in this matter.

Dated: July ____, 2013

Respectfully submitted,

AXIA ENERGY, LLC

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 18 day of July, 2013.

Witness my hand and official seal.

My commission expires:

[SEAL]

Notary Public

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 2537.82-ACRE UNIT LOCATED IN SECTIONS 17, 18, 19 AND 20, TOWNSHIP 8 NORTH, RANGE 90 WEST, 6TH P.M., IN AN UNNAMED FIELD, MANCOS AND NIOBRARA FORMATIONS, MOFFAT COUNTY, COLORADO.	Cause No Docket No		
AFFIDAVIT OF MAILING			
STATE OF COLORADO)			
)ss. CITY AND COUNTY OF DENVER)			
Gregory J. Nibert, Jr. of lawful age, and declares:	being first duly sworn upon his oath, states and		
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 <u>Exhibit A</u> to the Application.			
G	regory J. Nibert, Jr.		
Subscribed and sworn to before me July 6, 2013.			
Witness my hand and official seal.			
My commission expires:	otary Public		
	MARY GRACE T. GO-HOVELAND Notary Public State of Colorado		

EXHIBIT A

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

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

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

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

SWEPI LP PO BOX 576 HOUSTON, TX 77001

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

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

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

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

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

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

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

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

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

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

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

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

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

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

JAMES GARRETT 8826 VISTA OAKS CIRCLE DALLAS, TX 75243

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

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

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

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

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

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

LAWRENCE CONSOLIDATED ENTERPRISES POB 180 TYLER, TX, 75710-0000 MARTHA MARSHALL POB 91139 SAN ANTONIO, TX, 78209-0000

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

RANCHO GRECO 893 STOUT ST CRAIG, CO 81625

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

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

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

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 ALLEN C SHIELDS VERNON R SHIELDS TRUST 5215 INGALLS ST ARVADA, CO 80002

ANN W LAMBERT, A MARRIED WOMAN DEALING IN HER SOLE AND SEPARATE PROPERTY 3375 CHEROKEE LANE PROVO, UT 84601-0000

ARDISS GINKENS, A WIDOW 200 SAXTON CIR CITRUS HEIGHTS, CA 95621

BILLY LEE BETISS C/O EVA M. KROUT 633 AMERICANA DR GRAND JUNCTION, CO 81504

CAROL JEAN MORLANG C/O EVA M. KROUT 633 AMERICANA DR GRAND JUNCTION, CO 81504

CAROL STOCKMAN 5033 CASTLEMAN ST PITTSBURGH, PA, 15232

DAVID R OLSEN, A MARRIED MAN DEALING IN HIS SOLE AND SEPARATE PROPERTY 389 ISLE COURT PALM BEACH GARDENS, FL 33418

DEAN R WIXOM, A MARRIED MAN DEALING IN HIS SOLE AND SEPARATE PROPERTY 639 PINE ST MONTEREY, CA 93940

DEEP CREEK INVESTMENTS, A UTAH GENERAL PARTNERSHIP 2400 SUNNYSIDE AVENUE SALT LAKE CITY, UT 84108-0000

EARL SEARCY 288 28 1/2 RD GRAND JUNCTION, CO 81503-3150 EDWARD G. WEAVER, JR., A MARRIED MAN DEALING IN HIS SOLE AND SEPARATE PROPERTY 1461 BEDFORD AVE SUNNYVALE, CA 94087

ELMER MONAHAN MINERAL TRUST C/O DOUG DAVIS 195 W JOHNSON LOOP CRAIG, CO, 81625

EVA MAE WALKER C/O EVA M. KROUT 633 AMERICANA DR GRAND JUNCTION, CO 81504

FRIEDMAN LIVING TRUST 1107 S. ELISEO DR. GREENBRAE, CA 94904

GARY L WIXOM, TRUSTEE UNDER UNRECORDED TRUST AGREEMENT DATED 06/27/88 1737 NALULU PLACE HONOLULU, HI 96821

GUY DALE BOND C/O EVA M. KROUT 633 AMERICANA DR GRAND JUNCTION, CO 81504

JANET E OLSEN, A SINGLE WOMAN 1746 N 900 E OGDEN, UT 84414-3182

JENCAR, LTD., A UTAH LIMITED PATNERSHIP 1777 SOUTH 2600 EAST SALT LAKE CITY, UT 84108-0000

JOEL C. DAVIS, A SINGLE MAN 1320 OAK COURT BOULDER, CO 80304

KATHLEEN CLINE, A MARRIED WOMAN DEALING IN HER SOLE AND SEPARATE PROPERTY 13444 OAK RIDGE DR ALPINE, UT 84004-0000 KENT S OLSEN, A MARRIED MAN DEALING IN HIS SOLE AND SEPARATE PROPERTY 7065 S PENROSE COURT LITTLETON, CO 80122-0000

KIM A. MOORE, A MARRIED WOMAN DEALING IN HER SOLE AND SEPARATE PROPERTY 46 EATON DRIVE, SUITE 1 PAGOSA SPRINGS, CO 81147

LAVERNE MONTIJO, A WIDOW 1610 CROCKETT HILLS BLVD BRENTWOOD, TN 37209

LORENE COLE, A SINGLE WOMAN PO BOX 784 KIMBERLY, ID 83341

MCMURRAY INVESTMENT COMPANY 5335 ROSELEAF DRIVE MURRAY, UT 84123

MCWILLIAMS 1981 TRUST HUGH MCWILLIAM, TRUSTEE 5860 COYOTE RIDGE RD RENO, NV 89523-1513

MICHELLE S LAVIN, A MARRIED WOMAN DEALING IN HER SOLE AND SEPARATE PROPERTY 14631 MINOSA LANE TUSTIN, CA 92680-0000 MUSEUM OF NORTHWEST COLORADO 590 YAMPA AVENUE CRAIG, CO 81625

N. KAYE CRISWELL AKA NAOMI KAYE MCKEE, A SINGLE WOMAN POB 359 TORRINGTON, WY 82240-0000

NANCY WEAVER, A SINGLE WOMAN 2032 BAYCROWN CT CHESTERFIELD, MO 63017

NORMAN SHEYA 361 BAY VIEW TERRACE COSTA MESA, CA 92627-1482 PAULE S. HEWLETT, A MARRIED WOMAN DEALING IIN HER SOLE AND SEPARATE PROPERTY 1736 NICHOLSON HOUSTON, TX 77008

RUTH ANN ABBOTT, A SINGLE WOMAN POB 66 SMITHWICK, SD 57782-0000

SMITH MINERALS, LTD., A COLORADO LIMITED PARTNERSHIP 119 MARSHALL JOHNSON AVE S PORT LAVACA, TX 77979

STEWART FAMILY TRUST DTD 09/28/06 2405 ST MARYS DRIVE SALT LAKE CITY, UT 84108

WILSON B. BOND 3828 COLLEGE VIEW DRIVE #316 JOPLIN, MO 64801-8249

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