

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

IN THE MATTER OF THE PROMULGATION AND)	CAUSE NO. 371
ESTABLISHMENT OF FIELD RULES TO GOVERN)	
OPERATIONS IN THE BUZZARD FIELD, MESA)	DOCKET NO. 1104-SP-14
COUNTY, COLORADO)	

NOTICE OF HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that wells drilled in excess of 2,500 feet in depth be located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply. The W½ of Section 2, Township 9 South, Range 95 West, 6th P.M. is subject to this Rule for the Williams Fork and Iles Formations.

On October 21, 2010, the Commission entered Order No. 371-7, which among other things, established an approximate 320-acre drilling and spacing unit for the E½ of Section 2, Township 9 South, Range 95 West, 6th P.M. and approved the equivalent of one well per 10 acres density, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formation. Any permitted Williams Fork or Iles Formation well drilled under said order is to be located downhole anywhere within the unit but no closer than 100 feet from the drilling and spacing unit boundary where immediately adjacent or cornering lands have been approved by the Commission for 10-acre drilling density, and no closer than 200 feet from the drilling and spacing unit boundary where adjacent or cornering lands have not been approved by the Commission for 10-acre density downhole drilling for Williams Fork and Iles Formation wells, unless an exception is granted by the Director of the Commission.

On December 23, 2010, Axia Energy, LLC, by its attorneys, filed with the Commission a verified application ("Application") for an order to: (1) vacate the approximate 320-acre drilling and spacing unit established for the E½ of Section 2, Township 9 South, Range 95 West, 6th P.M., for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations; and (2) establish an approximate 640-acre drilling and spacing unit for said Section 2, and authorize the equivalent of one well per 10 acres density for said unit, for the production of gas and associated hydrocarbons from the Williams Fork and Iles Formations.

Further, any permitted Williams Fork or Iles Formation well drilled under this Application should be located downhole anywhere within the unit but no closer than 100 feet from the drilling and spacing unit boundary where immediately adjacent or cornering lands have been approved by the Commission for 10-acre drilling density, and should be located no closer than 200 feet from the drilling and spacing unit boundary where adjacent or cornering lands have not been approved by the Commission for 10-acre density downhole drilling for Williams Fork and Iles Formation wells, unless an exception is granted by the Director of the Commission.

Furthermore, any well drilled pursuant to this Application should be drilled from the surface either vertically or directionally from no more than one pad located on a given quarter-quarter section (or lots or parcels approximately equivalent thereto) unless exception is granted by the Commission pursuant to application made for such exception.

NOTICE IS HEREBY GIVEN, that the Oil and Gas Conservation Commission of the State of Colorado, pursuant to the above, has scheduled the above-entitled matter for hearing on:

Date: Monday, April 4, 2011
Tuesday, April 5, 2011

Time: 9:00 a.m.

Place: Suite 801, The Chancery Building
1120 Lincoln Street
Denver, Colorado 80203

In accordance with the Americans with Disabilities Act, if any party requires special

accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

Any interested party desiring to protest the granting of the application or to intervene on the application must file a written protest or intervention with the Commission, briefly stating the basis of the protest or intervention. Such interested party shall, at the same time, serve a copy of the protest or intervention to the person filing the application. An original and 13 copies shall be filed with the Commission. To allow full consideration of contested matters, including scheduling a prehearing conference, protests or interventions must be received by March 21, 2011. Pursuant to Rule 503.f., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules. In accordance with the practices of the Commission, should no protests or interventions be filed in this matter by **March 21, 2011, the Applicant may request that an administrative hearing be scheduled during the week of March 21, 2011.** In the alternative, pursuant to Rule 511., if the matter is uncontested, the applicant may request, and the Director may recommend approval on the basis of the merits of the verified application and the supporting exhibits.

IN THE NAME OF THE STATE OF COLORADO

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By _____
Robert A. Willis, Acting Secretary

Dated at Suite 801
1120 Lincoln Street
Denver, Colorado 80203
February 14, 2011

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