



AXIA ENERGY, LLC

COLORADO OIL AND GAS CONSERVATION
COMMISSION

UPDATE OF DOCKET NOS:

1303-SP-40

1303-SP-41

1303-SP-42

1303-SP-43

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1303-SP-45



Activity to Date - Axia Energy, LLC

- Axia is the Operator of approximately 178,000 gross acres, 120,000 net acres in the Project Area
- To date 5 horizontal wells have been drilled and completed by Axia in the Niobrara formation (\$10+M per well)
- To date 1 vertical well has been drilled and completed by Axia in the Mancos & Niobrara formations (\$7+M)
- In March 2013 Six (6) URU applications were approved by the COGCC
- To date 1 horizontal well and 1 vertical well have been drilled inside 2 of the 6 approved URUs
- For the horizontal well drilled & completed in Sections 17, 18, 19 & 20, Township 8 North, Range 93 West:
 - Well completed late 2013; well continues to produce approximately 3 mmcf per day
 - All mineral interests were successfully leased (with exception to open federal mineral interest)
 - No force pooling was required; division orders have recently been sent to all owners
- For vertical well drilled & completed in Section 22, Township 8 North, Range 90 West:
 - Well completed in early 2014; well currently producing approximately 0.7 to 0.8 mmcf per day
 - Per COGCC order, well is being produced on a lease basis. State of CO is the royalty owner
- 11 additional drilling permits have been approved by the COGCC inside the 6 approved URUs utilizing multiple well pads
- Inclusive of approved permits above, Axia is moving forward on the project:
 - 6 wells drilled by Axia (5 horizontal, 1 vertical)
 - 18 permits approved by COGCC
 - 5 permits submitted and pending with COGCC
 - 13 additional wells are in the permitting process
- Axia's Sandwash Project continues to be in the exploratory phase of development. A potential sage grouse listing, wildlife stipulations, livestock timing limitations with local ranchers, adverse weather conditions, plus lack of pipeline infrastructure and low commodity price for natural gas continue to be obstacles for the successful development of the project



Axia Activity – Sand Wash Basin Moffat County Colorado

