

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  
2533.55-ACRE UNIT IN SECTIONS 17, 18,  
19 AND 20 TOWNSHIP 8 NORTH, RANGE  
93 WEST, 6<sup>TH</sup> 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 2533.55-acre unit for the production of oil, gas, and associated hydrocarbons from the Mancos and Niobrara Formations covering certain described lands in Moffat County, Colorado. Applicant is the operator in the proposed unit. 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.
2. Applicant holds certain leasehold interests in the lands described below and will be the operator in the proposed unit:

Township 8 North, Range 93 West, 6<sup>TH</sup> P.M.  
Section 17: ALL  
Section 18: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$ ; a/d/a ALL  
Section 19: Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$ ; a/d/a ALL  
Section 20: Lots 1-3, N $\frac{1}{2}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ , E $\frac{1}{2}$ ; a/d/a ALL

Moffat County, Colorado (hereafter the "Application Lands").

A reference map of the Application Lands is attached hereto.

3. The Application Lands are subject to Commission Rule 318.a. which provides that a well to be drilled 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 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, 6<sup>th</sup> 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 a unit of approximately 2533.55-acres for the Application Lands.

6. No wells have been drilled and completed to the Mancos and Niobrara Formations on the Application Lands, or on lands in close proximity to the Application Lands.

7. That the above-proposed 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. That the Applicant is requesting to drill and complete the appropriate number of wells in order to efficiently and economically recover the oil, gas and associated hydrocarbons from the 2533.55-acre unit. The Applicant states that each proposed horizontal well shall be located on the surface anywhere within the unit, or on adjacent lands, with the treated interval of any horizontal well to be no closer than 600' from the boundaries of the 2533.55-acre unit. The 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 consistent with Applicant's proposals as set forth above.

Dated this 24<sup>th</sup> day of January, 2013.

Respectfully submitted,

AXIA ENERGY, LLC

By: 

Jamie L. Jost

Gregory J. Nibert Jr.

Beatty & Wozniak, P.C.

Attorneys for Applicant

216 16<sup>th</sup> Street, Suite 1100

Denver, Colorado 80202

(303)407-4499

Applicant's Address:

Axia Energy LLC

ATTN: Tab McGinley

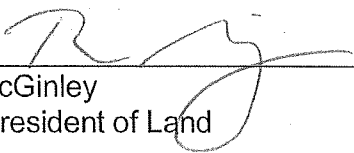
1430 Larimer Street, Suite 400

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 23<sup>RD</sup> day of January, 2013.

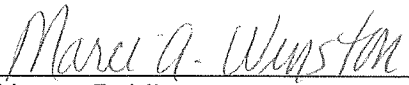
Witness my hand and official seal.

My commission expires:



[SEAL]

My Commission Expires 7/6/13

  
\_\_\_\_\_  
Notary Public

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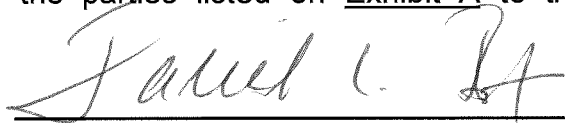
DOCKET NO. \_\_\_\_\_

AFFIDAVIT OF MAILING

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

Jamie L. Jost, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Axia Energy, LLC, that on or before January 31, 2013, she 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.

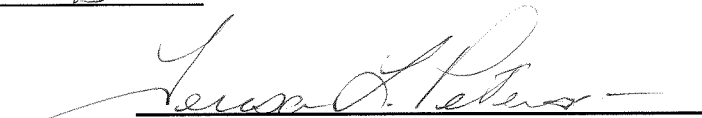
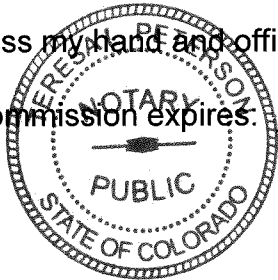


Jamie L. Jost

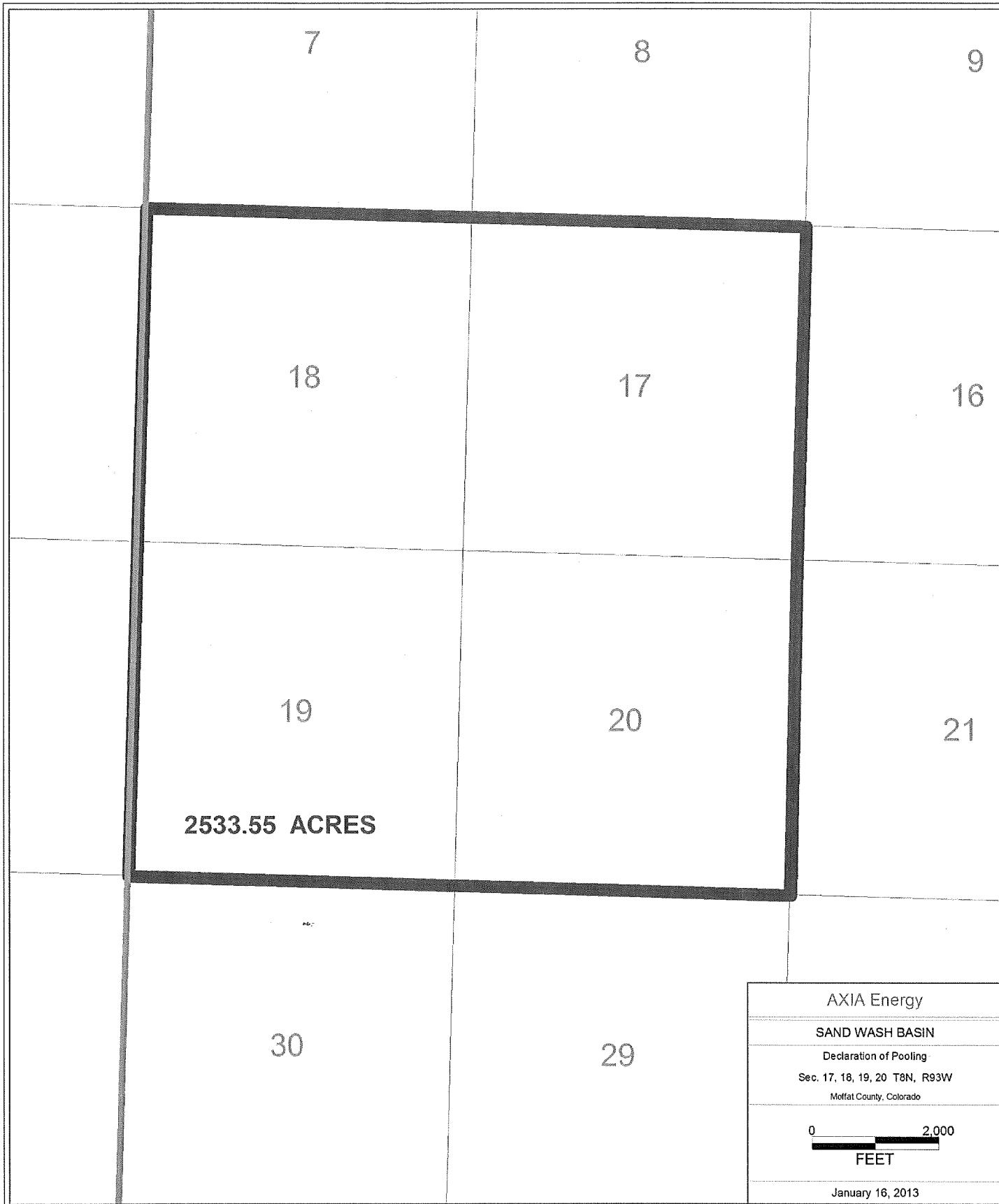
Subscribed and sworn to before me January 24, 2013.

Witness my hand and official seal.

My commission expires: 10-04-13



Notary Public



BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
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A reference map of the Application Lands is attached hereto.

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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 a unit of approximately 2533.55-acres for the Application Lands.

6. No wells have been drilled and completed to the Mancos and Niobrara Formations on the Application Lands, or on lands in close proximity to the Application Lands.

7. That the above-proposed 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. That the Applicant is requesting to drill and complete the appropriate number of wells in order to efficiently and economically recover the oil, gas and associated hydrocarbons from the 2533.55-acre unit. The Applicant states that each proposed horizontal well shall be located on the surface anywhere within the unit, or on adjacent lands, with the treated interval of any horizontal well to be no closer than 600' from the boundaries of the 2533.55-acre unit. The 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 consistent with Applicant's proposals as set forth above.



Dated this 24<sup>th</sup> day of January, 2013.

Respectfully submitted,

AXIA ENERGY, LLC

By: 

Jamie L. Jost  
Gregory J. Nibert Jr.  
Beatty & Wozniak, P.C.  
Attorneys for Applicant  
216 16<sup>th</sup> Street, Suite 1100  
Denver, Colorado 80202  
(303)407-4499

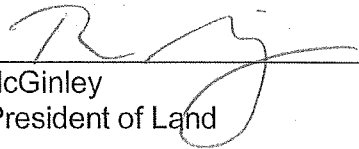
Applicant's Address:

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

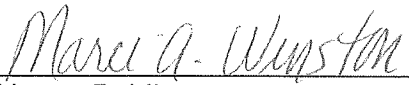
Subscribed and sworn to before this 23<sup>RD</sup> day of January, 2013.

Witness my hand and official seal.

My commission expires:

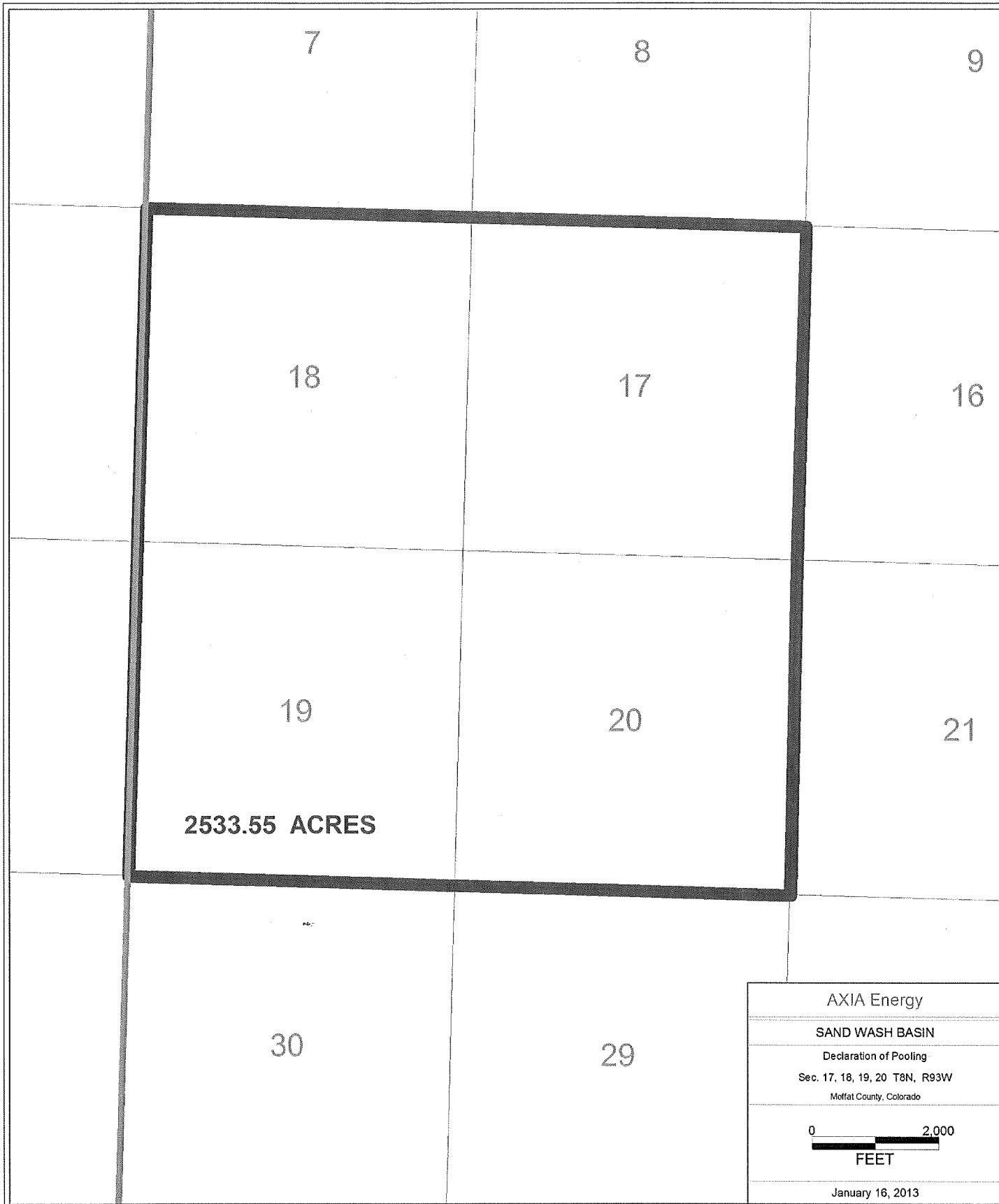


[SEAL]

  
\_\_\_\_\_  
Notary Public

My Commission Expires 7/6/13





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CAUSE NO. \_\_\_\_\_

DOCKET NO. \_\_\_\_\_

AFFIDAVIT OF MAILING

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

Jamie L. Jost, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Axia Energy, LLC, that on or before February 8, 2013, she 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.

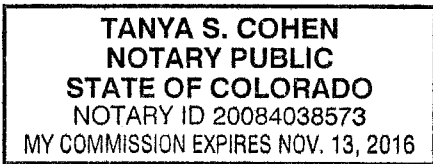


\_\_\_\_\_  
Jamie L. Jost

Subscribed and sworn to before me January 31, 2013.

Witness my hand and official seal.

My commission expires: 11/13/2016.

  
Notary Public

**EXHIBIT A**

AXIA ENERGY, LLC  
ATTN: TAB MCGINLEY  
1430 LARIMER STREET, SUITE 400  
DENVER, CO 80202

JOHN ALFRED SMITH ESTATE  
C/O DENNIS JOHN SMITH  
12227 W. 63RD TER.  
SHAWNEE, KS 66216

OXY USA INC.  
ATTN: KATHLEEN BONI  
5 GREENWAY PLAZA, SUITE 110  
HOUSTON, TEXAS 77046

JOHN ALFRED SMITH ESTATE C/O  
KENNETH DALE SMITH  
9908 W. 147TH ST.  
OVERLAND PARK, KS 66221

QUICKSILVER RESOURCES, INC.  
ATTENTION: CLAY BLUM  
801 CHERRY STREET, STE. 3700  
FORT WORTH, TEXAS 76102

LITTLE SNAKE FIELD OFFICE  
BUREAU OF LAND MANAGEMENT  
ATTENTION: MARTY O'MARA  
455 EMERSON STREET  
CRAIG, COLORADO 81625

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

JEFF COMSTOCK  
MOFFAT COUNTY  
221 W VICTOR WAY, SUITE 130  
CRAIG, CO 81625

CLARENCE F. SMITH ESTATE  
C/O PATRICK SMITH ET AL  
2508 SCOTTSDALE  
LAWRENCE, KS 66047

KENT KUSTER  
COLORADO DEPARTMENT OF  
PUBLIC HEALTH & ENVIRONMENT  
4300 CHERRY CREEK DRIVE SOUTH  
DENVER, CO 80246-1530

CHARLES E. SMITH ESTATE  
C/O JAY W. SMITH AIF  
5530 MARINA DR  
GARLAND, TX, 75043

MICHAEL WARREN  
ENERGY LIAISON  
COLORADO PARKS AND WILDLIFE  
NORTHWEST REGIONAL OFFICE  
711 INDEPENDENT AVE.  
GRAND JUNCTION, CO 81505

JAMES A SMITH ESTATE  
C/O JAY W. SMITH AIF  
5530 MARINA DR  
GARLAND, TX, 75043

RUTH S. RUDESILL  
714 ASHCOMB DRIVE  
LA PUENTE, CA 9174