

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 2592.58-
ACRE UNIT LOCATED IN SECTIONS 23, 24, 25
AND 26, TOWNSHIP 7 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 2592.58-acre drilling and spacing unit or the development of the Mancos and Niobrara Formations on the following described lands:

Township 7 North, Range 90 West, 6TH P.M.

Section 23: Lots 1-16; a/d/a ALL

Section 24: Lots 1-16; a/d/a ALL

Section 25: Lots 1-8, S2; a/d/a ALL

Section 26: Lots 1-13, SE4SW4, S2SE4; 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 2592.58-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 2592.58-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 2592.58-acre drilling and spacing unit for the development of the Mancos and Niobrara Formations, said order to apply to the Bulldog EDSU 23-24-25-26-790 ("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 2592.58-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 2592.58-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 2592.58-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 2592.58-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 2592.58-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

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 ____ day of July, 2013.

Witness my hand and official seal.

My commission expires:

Notary Public

[SEAL]

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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: 8/31/15.



Notary Public

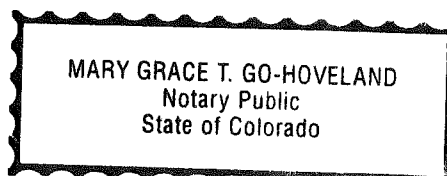


EXHIBIT A

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

CHERYL TOMBERLIN
4281 SOUTH 58 WEST
IDAHO FALLS, ID, 83402-0000

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

CLYDE H. PORTERFIELD
C/O PATRICIA ELLIOTT
BOX 1942 OLD CHELSEA STA
NEW YORK, NY, 10113-1942

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

DANIEL W. JOHNSON
1192 JOHNSON RD
CRAIG, CO, 81625

SWEPI LP
PO BOX 576
HOUSTON, TX 77001

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COALE
BANK OF OKLAHOMA
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TULSA, OK 74101

DIANA LYNN HAMILTON
6120 RAVENNA WAY
ELK GROVE, CA, 95757

BOKF, NA TRUSTEE OF THE LAURA O
BENNETT REVOCABLE LIVING TRUST
BANK OF OKLAHOMA
PO BOX 1588
TULSA, OK 74101

DONALD KEVIN PANKEY
858 COUNTY ROAD 29
CRAIG, CO, 81625-7911

BOKF, NA, AND AS AGENT FOR CHARLENE
MAYBERRY BENNETT, SOLE TRUSTEE OF
THE BENNET FAMILY TRUST DATED 10-25-93
BANK OF OKLAHOMA
PO BOX 1588
TULSA, OK 74101

DONNA LEE SWEET
856 GREEN ST
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BRIAN A SCHNACKENBERG AND GAYE E
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MCCULLISS OIL AND GAS INC
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DENVER, CO 80222

MUSEUM OF NORTHWEST COLORADO
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CRAIG, CO, 81625

PATRICK V. CHAMBERS
3135 CO RD 35
CRAIG, CO, 81625-0000

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PO BOX 3248
LITTLETON, CO, 80161-3248

PIERRE & KAYE JOHNSON, CO-TRUSTEES
OF THE PIERRE AND KAYE JOHNSON
FAMILY TRUST
160 CO RD 78
CRAIG, CO, 81625

ROARING FORK REDI-MIX
6555 HURON
DENVER, CO 80221

ROBERT EDWIN & JUSTIN QUAY DUZIK
95313 E HWY 40
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SPENCER FAMILY IRREVOCABLE FAMILY
TRUST, SUSAN SMITH (TRUSTEE)
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