

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 2497.04-
ACRE UNIT LOCATED IN SECTIONS 3, 4, 9
AND 10, TOWNSHIP 8 NORTH, RANGE 93
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 2497.04-acre drilling and spacing unit or the development of the Mancos and Niobrara Formations on the following described lands:

Township 8 North, Range 93 West, 6TH P.M.

Section 03: Lots 1-16, S $\frac{1}{2}$; a/d/a ALL

Section 04: Lots 1-16, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$; a/d/a ALL Less SW $\frac{1}{4}$ SW $\frac{1}{4}$

Section 09: NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$

Section 10: N $\frac{1}{2}$

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 2497.04-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 2497.04-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 2497.04-acre drilling and spacing unit for the development of the Mancos and Niobrara Formations, said order to apply to the Bulldog EDSU 3-4-9-10-893 ("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 2497.04-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 2497.04-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 2497.04-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 2497.04-acre drilling and spacing unit comprising the Application Lands.

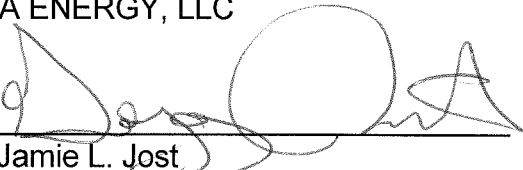
D. Providing that the nonconsenting parties' interests in the first eight wells drilled and completed in the 2497.04-acre drilling and spacing unit will be subject to the nonconsent penalties set forth in C.R.S. § 34-60-116(7).

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

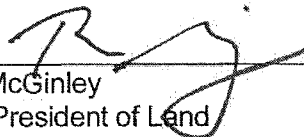
1430 Larimer Street, Suite 400

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.

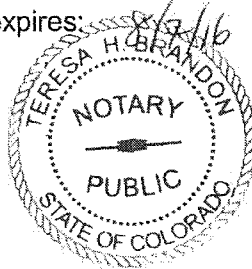


Tab McGinley
Vice President of Land

Subscribed and sworn to before this 18th day of July, 2013.

Witness my hand and official seal.

My commission expires:



[SEAL]



Notary Public

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MOFFAT COUNTY, COLORADO.

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MARY GRACE T. GO-HOVELAND
Notary Public
State of Colorado

EXHIBIT A

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

NOTTINGHAM LAND AND LIVESTOCK
PO BOX 969
CRAIG, CO 81626

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

ANDREW PEROULIS AND ARGIE T PEROULIS
AS INDIVIDUALS AND AS MANAGERS OF THE
ANDY AND ARGIE PEROULIS FAMILY
LIMITED PARTNERSHIP, A COLORADO
LIMITED PARTNERSHIP, AND AS TRUSTEES
OF THE ANDREW AND ARGIE T PEROULIS
MINERAL TRUST DATED OCTOBER 27, 1999
PO BOX 683
CRAIG, CO 81626

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

BORD GULCH RANCH, LLC
PO BOX 36
CRAIG, CO 81626-0036

IRENE P. MASON
8358 LAKESIDE DR
SHOW LOW, AZ, 85901

WILLIAM T. WARD
PO BOX 134
MATHESON, CO, 80830-0134

MARY DASKALAKIS, A MARRIED WOMAN
DEALING IN HER SOLE AND SEPARATE
PROPERTY, AND GUS DASKALAKIS, HER
HUSBAND
2996 CRUISE WAY
SALT LAKE CITY, UT, 84109

RONALD J. ROBACKER, A MARRIED MAN
DEALING IN HIS SOLE AND SEPARATE
PROPERTY
634 BATTLEMENT CREEK TRAIL
PARACHUTE, CO 81635

JOHN PEROULIS AND SONS
PO BOX 1015
CRAIG, CO 81626

HARRY WAYNE UNCAPHER
1210 IRON PLACE
FREELAND, WA 98249-8764

WESLEY SHAWN UNCAPHER
122 COUNTY ROAD 31
CRAIG, CO 81625-8637

COUNTY OF MOFFAT, STATE OF COLORADO
221 WEST VICTORY WAY, SUITE 130
CRAIG, CO 81625