

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 2333.06-
ACRE UNIT LOCATED IN SECTIONS 29, 30, 31
AND 32, TOWNSHIP 8 NORTH, RANGE 91
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 2333.06-acre drilling and spacing unit or the development of the Mancos and Niobrara Formations on the following described lands:

Township 8 North, Range 91 West, 6TH P.M.

Section 29: ALL

Section 30: Lots 7-9, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$

Section 31: Lots 5-7, 10-13, 16, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, W2SE, E $\frac{1}{2}$ E $\frac{1}{2}$

Section 32: W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$

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 2333.06-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 2333.06-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 2333.06-acre drilling and spacing unit for the development of the Mancos and Niobrara Formations, said order to apply to the Bulldog EDSU 29-30-31-32-891 ("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 2333.06-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 2333.06-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 2333.06-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 2333.06-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 2333.06-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.

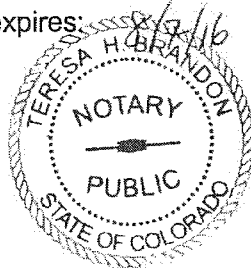


Tab McGinley
Vice President of Land

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

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

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

ALEXANDRA BUTLER, A SINGLE WOMAN
2115 CR 3, P.O. BOX 1304
CRAIG, CO 81625

ANN W LAMBERT, A MARRIED WOMAN
DEALING IN HER SOLE AND SEPARATE
PROPERTY
3375 CHEROKEE LANE
PROVO, UT 84601

CATHEY FAMILY MINERAL RIGHTS TRUST
18617 EAST PINE VALLEY DRIVE
QUEEN CREEK, AZ 85142

DAVID MYRICK, JR.
PO BOX 691425
SAN ANTONIO, TX 78269

DAVID R OLSEN, A MARRIED MAN DEALING
IN HIS SOLE AND SEPARATE PROPERTY
389 ISLE COURT
PALM BEACH GARDEN, FL 33418

DEAN R WIXOM, A MARRIED MAN DEALING
IN HIS SOLE AND SEPARATE PROPERTY
639 PINE STREET
MONTEREY, CA 93940

DEBRA THORNTON, A MARRIED WOMAN
DEALING IN HER SOLE AND SEPARATE
PROPERTY
PO BOX 27458
SARASOTA, FL 34232

DEEP CREEK INVESTMENTS, A UTAH
GENERAL PARTNERSHIP
2400 SUNNYSIDE AVENUE
SALT LAKE CITY, UT 84108

EDITH CECIL MURPHY ADAMS REVOCABLE
TRUST
2529 RUSTIC OAK COURT
SARASOTA, FL 34232

ESTATE OF F.E. KIMBALL, C/O NEAL J.
KIMBALL
526 QUAILBROOK CT.
SAN JOSE, CA 95110

ESTATE OF RAY KIMBALL, C/O STEVE R.
KIMBALL
2440 QUAIL RUN DR.
MEDFORD, OR 97504

EVALYN JANE LINDER
104 S.E. 51ST STREET
OKLAHOMA CITY, OK 73129

GARY L WIXOM, TRUSTEE UNDER
UNRECORDED TRUST AGREEMENT DATED
06/27/88
1737 NALULU PLACE
HONOLULU, HAWAII 96821
JANET E OLSEN, A SINGLE WOMAN
1746 NORTH 900 EAST
NORTH OGDEN, UT 84414

JENCAR, LTD., A UTAH LIMITED PATNERSHIP
1777 SOUTH 2600 EAST
SALT LAKE CITY, UT 84108

JOHN ALLEN RANCH, LLC
71 ALLEN LANE
CRAIG, CO 81625

KATHERINE ANN WILD, HEIR OF RONALD M.
WILD
1223 N. 4TH ST., APT G
CHILLICOTHE, IL 61523

KATHLEEN M. (MCDONALD) NICKS
5019 S. L STREET
TACOMA, WA 98408

KENT S OLSEN, A MARRIED MAN DEALING IN
HIS SOLE AND SEPARATE PROPERTY
7065 SOUTH PENROSE COURT
LITTLETON, CO 80122

MARJORIE A. WILD, HEIR OF RONALD M.
WILD
PO BOX 2408
HELENDALE, CA 92342

MARK D. MCDONALD
4208 CABELL DR., UNIT 532
DALLAS, TX 75204

MARY ELLEN THOMAS, HEIR OF RONALD M.
WILD
13138 CAMINITO MENDIOLA
SAN DIEGO, CA 92130

MCMURRAY INVESTMENT COMPANY
5335 ROSELEAF DRIVE
MURRAY, UT 84123

MICHAEL D. MCDONALD
6420 PIERCE ST.
ARVADA, CO 80003

MICHAEL JOHN BUTLER
1918 CO RD 106, CRAIG, CO 81625

MICHELLE S LAVIN, A MARRIED WOMAN
DEALING IN HER SOLE AND SEPARATE
PROPERTY
14631 MIMOSA LANE
TUSTIN, CA 92780

MUSEUM OF NORTHWEST COLORADO
590 YAMPA AVE
CRAIG, CO 81625

NORMAN SHEYA, A SINGLE MAN
361 BAY VIEW TERRACE
COSTA MESA, CA 92627

NORMAN SHEYA, A SINGLE MAN
361 BAY VIEW TERRACE
COSTA MESA, CA 92627

PAULE S. HEWLETT, A MARRIED WOMAN
DEALING IIN HER SOLE AND SEPARATE
PROPERTY
1736 NICHOLSON STREET
HOUSTON, TX 77008

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

ROSE ANN PORTER, A MARRIED WOMAN
DEALING IN HER SOLE AND SEPARATE
PROPERTY
VALI KONAGI MAL. SINO;
LU CERNAL SOKAK #1 NUR APT. D. 10
NISANTASI, ISTANBUL 34365, TURKEY

SANDRA H. WILD, WIDOW OF RICHARD H.
WILD
23100 E. MARIPOSA RD.
ESCALON, CA 95320

SMITH MINERALS, LTD., A COLORADO
LIMITED PARTNERSHIP
119 MARSHALL JOHNSON AVENUE SOUTH
PORT LAVACA, TX 77979

STEWART FAMILY TRUST DTD 09/28/06
2405 ST. MARY'S DRIVE
SALT LAKE CITY, UT 84108