

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION)	
OF THE PROMULGATION AND)	
ESTABLISHMENT OF FIELD RULES TO)	Docket No. <i>To be assigned</i>
GOVERN OPERATIONS FOR THE)	
MANCOS AND NIOBRARA)	
FORMATIONS, UNNAMED FIELD,)	
MOFFAT COUNTY, COLORADO)	

APPLICATION TO VACATE ORDER NOS. 540-25 AND 540-36

SWN Production Company, LLC ("SWN"), by and through its attorneys, Burns, Figa, & Will, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "COGCC") for an order to vacate Order Nos. 540-25 and 540-36 ("Orders"), which effectively created an Unconventional Resource Unit ("URU") in the following lands:

Township 8 North, Range 90 West, 6th P.M.

Section 17: All
Section 18: All
Section 19: All
Section 20: All

Moffat County, Colorado, containing approximately 2,537.82 acres ("Application Lands").

In support of its Application, SWN states and alleges as follows:

1. SWN is a corporation duly authorized to do business in Colorado and is registered as an operator in good standing with the COGCC.
2. SWN is an Owner with the right to drill into and produce from the Application Lands.
3. The Application Lands are subject to Order No. 540-25, which stated among other things, "An approximate 2537.82-acre unconventional resource unit for the below-described lands, is hereby established, for the production of oil, gas and associated hydrocarbons from Mancos and Niobrara Formations, and an appropriate number of vertical, directional or horizontal wells, are hereby approved, in order to efficiently and economically recover the oil, gas and associated hydrocarbons from the

proposed unit, with a limit of four multi-well pads per section within the Application Lands, or located on adjacent lands, with the productive interval of the wellbore to be located no closer than 600 feet from the unit boundaries, and no closer than 150 feet from the productive interval of any other wellbore located in the unit, without exception being granted by the Director [on the Application Lands]." Order No. 540-25 furthermore required the original applicant, Axia Energy, LLC, to report on the progress and development of this URU annually, without exception being granted by the Director.

4. The Application Lands are also subject to Order No. 540-36, which stated among other things, "Pursuant to the provisions of §34-60-116, C.R.S., as amended, of the Oil and Gas Conservation Act, all interests in an approximate 2537.82-acre unconventional resource unit established for the below-described lands, are hereby pooled, for the development and operation of the Mancos and Niobrara Formations, effective as of the earlier of the date of the Application, or the date that any of the costs specified in C.R.S. §34-60-116(7)(b)(II) are first incurred for drilling each of the four Initial Wells [on the Application Lands]." Order No. 540-36 furthermore required the original applicant, Axia Energy, LLC, to report on the progress and development of this URU annually, without exception being granted by the Director.

5. SWN represents that it is the successor-in-interest to Axia Energy, Inc. as to the Application Lands, and has been fulfilling the reporting requirements of Order Nos. 540-25 and 540-36.

6. SWN believes that this URU currently warrants no operational necessity. Therefore, in the interests of preserving the maximum perceived correlative rights, SWN desires that the Orders pertaining to this URU be vacated at the next available hearing date. SWN intends that such vacation be an effective full termination of the URU such that the Application Lands shall have no current Orders effective to the Mancos and Niobrara formations.

WHEREFORE, SWN respectfully requests that this matter be set for hearing at the next available opportunity, that notice be given as required by law, and that the COGCC enter an Order to:

- A. Vacate Order Nos. 540-25 and 540-36, which established an approximate 2,537.82-acre Unconventional Resource Unit in the Application Lands;
- B. Such Order shall be effective upon the date of Hearing wherein the Order is approved, and shall be a full termination of the Unconventional Resource Unit.

DATED this 19th day of March, 2015.

Respectfully submitted,

SWN PRODUCTION COMPANY, LLC

By: 

Michael T. Jewell, Esq.
License #40902

Burns, Figa & Will, P.C.
6400 S. Fiddler's Green Circle – Suite 1000
Greenwood Village, CO 80111

SWN Production Company, LLC
P.O. Box 12359
Spring, TX 77391-2359