

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

IN THE MATTER OF THE APPLICATION OF)	Cause No. 535
AXIS EXPLORATION, LLC FOR AN ORDER)	
ESTABLISHING AN APPROXIMATE 960-ACRE)	Docket No. 180700523
DRILLING AND SPACING UNIT, AND)	
ESTABLISHING WELL LOCATION RULES)	Type: SPACING
APPLICABLE TO THE DRILLING AND)	•
PRODUCING OF WELLS FROM THE)	
NIOBRARA FORMATION COVERING CERTAIN)	
LANDS IN SECTION 6, TOWNSHIP 3 SOUTH,	ý	
RANGE 65 WEST AND SECTION 1, TOWNSHIP	í	
3 SOUTH, RANGE 66 WEST, 6TH P.M.,	Ś	
UNNAMED FIELD, DENVER AND ADAMS	Ś	
COUNTIES, COLORADO.	,)	
	,	

APPLICATION

Axis Exploration, LLC ("Applicant"), Operator No. 10646, by and through its attorneys, Welborn Sullivan Meck & Tooley, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission") for an order establishing an approximate 960-acre drilling and spacing unit, and establishing well location rules applicable to the drilling of wells and producing of oil, gas and associated hydrocarbons from the Niobrara Formation covering certain lands in Denver and Adams Counties, Colorado. In support of its Application, Applicant states as follows:

- 1. Applicant is a limited liability company duly authorized to conduct business in Colorado.
- 2. Applicant owns leasehold interest and/or the right to operate and is an Owner as defined by Commission rules in the following lands ("Application Lands"):

Township 3 South, Range 65 West, 6th P.M. Section 6: W½

Township 3 South, Range 66 West, 6th P.M. Section 1: All

A reference map of the Application Lands is attached hereto.

3. Rule 318.a. of the Rules and Regulations of the Oil and Gas Conservation Commission requires that, on unspaced lands, wells drilled in excess of 2,500 feet in depth be

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located not less than 600 feet from any lease line, and located not less than 1,200 feet from any other producible or drilling oil or gas well when drilling to the same common source of supply.

4. To promote efficient drainage of the Niobrara Formation within the Application Lands and to avoid waste, the Commission should establish an approximate 960-acre drilling and spacing unit for the Application Lands described below for production of oil, gas and associated hydrocarbons from the Niobrara Formation:

Township 3 South, Range 65 West, 6th P.M.

Section 6: W½

Township 3 South, Range 66 West, 6th P.M.

Section 1: All

- 5. Applicant is requesting to drill and complete one (1) horizontal well in the above-described approximate 960-acre drilling and spacing unit with the option to drill and complete up to a total of up to sixteen (16) horizontal wells in the unit for production of oil, gas and associated hydrocarbons from the Niobrara Formation with the surface location to be located at a legal location in the above-described drilling and spacing unit or on adjacent lands. Applicant further requests that the treated interval of each wellbore be no closer than 150 feet from the treated interval of any other wellbore producing from the Niobrara Formation, and no closer than 460 feet from the unit boundary, without exception being granted by the Director.
- 6. Applicant requests authority to drill only those wells necessary to determine the well density which allows the most efficient drainage of the Niobrara Formation, prevents waste, does not adversely affect correlative rights, and assures the greatest ultimate recovery of gas and associated hydrocarbon substances. The proposed drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by the authorized wells in such drilling and spacing unit. Applicant further maintains that the requested setbacks and the wells drilled in the above-proposed drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.
- 7. Applicant further requests that the wells are drilled and operated from no more than two (2) surface locations within the unit or from a legal location on adjacent lands.
- 8. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in <u>Exhibit A</u> attached hereto and made a part hereof, and the undersigned certifies that copies of this Application shall be served on each interested party within seven (7) days after filing of the Application as required by Rules 503.e. and 507.b.(1).

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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 <u>O</u> day of May, 2018

Respectfully submitted,

WELBORN SULLIVAN MECK & TOOLEY, P.C.

By:

Joseph C. Pierzchala

Geoffrey W. Storm

Welborn Sullivan Meck & Tooley, P.C.

Attorneys for Applicant

1125 17th Street, Suite 2200

Denver, CO 80202

303-830-2500

jpierzchala@wsmtlaw.com gstorm@wsmtlaw.com

Applicant's Address: Axis Exploration, LLC 370 17th St, Ste 5300 Denver, CO 80202

Attn: Pam Kingery

Phone: (720) 557-8300

VERIFICATION

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

Annie Pierini, Landman for Axis Exploration, LLC, upon oath deposes and says that she has read the foregoing Application and that the statements contained therein are true to the best of her knowledge, information and belief.

AXIS EXPLORATION, LLC

Subscribed and sworn to before me this Lad day of May 2018 by Annie Pierini, Landman for Axis Exploration, LLC.

Witness my hand and official seal.

ANGELA CHRISTINE NICKEL **NOTARY PUBLIC** STATE OF COLORADO NOTARY ID 20184003200 MY COMMISSION EXPIRES JANUARY 18, 2022

My Commission Expires: // #8/2022

EXHIBIT A

PARTIES ENTITLED TO NOTICE UNDER RULE 507.c.

Adams County

Christine Dougherty Adams County 4430 South Adams County Pkwy Brighton, CO 80601

Aurora Municipality

Stephen Rodriquez City of Aurora Planning Dept. 15151 E. Alameda Parkway Aurora, CO 80012

Denver County

Jessica R. Brody Denver City Attorneys Office 201 W. Colfax Avenue, Dept 1207 Denver, CO 80202

Denver Municipality

Jessica R. Brody Denver City Attorneys Office 201 W. Colfax Avenue, Dept 1207 Denver, CO 80202

Colorado Department of Public Health and Environment

Kent Kuster 4300 Cherry Creek Drive South Denver, CO 80246-1500

Colorado Parks and Wildlife

Tom Schreiner Northeast Region Office 6060 Broadway Denver, CO 80216

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EXHIBIT A CONTINUED ON NEXT PAGE

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EXHIBIT A

INTERESTED PARTIES

Axis Exploration, LLC
Bison Exploration, LLC
Burlington Resources Oil & Gas Company LP
Copper Trail Energy Fund I, LP
ConocoPhillips Company
COP BROG I, LLC
The City and County of Denver, a municipal corporation of the State of Colorado
City and County of Denver
Extraction Oil & Gas, Inc.
Hilltop at DIA, LLC
Van Schaack Holdings, LTD
Bernice S. McKelvey
James G. Schuler
Paul M. Schuler

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AXIS EXPLORATION, LLC FOR AN ORDER) Cause No. 535)
ESTABLISHING AN APPROXIMATE 960-ACRE DRILLING AND SPACING UNIT, AND) Docket No. 180700523
ESTABLISHING WELL LOCATION RULES APPLICABLE TO THE DRILLING AND PRODUCING OF WELLS FROM THE NIOBRARA FORMATION COVERING CERTAIN LANDS IN SECTION 6, TOWNSHIP 3 SOUTH, RANGE 65 WEST AND SECTION 1, TOWNSHIP 3 SOUTH, RANGE 66 WEST, 6TH P.M., UNNAMED FIELD, DENVER AND ADAMS COUNTIES, COLORADO.	Type: SPACING)))))))))

AFFIDAVIT OF MAILING

STATE OF COLORADO 8888 CITY AND COUNTY OF DENVER

I, Geoffrey W. Storm, of lawful age, and being first duly sworn upon my oath, state and declare:

That I am the attorney for Axis Exploration, LLC and that on or before May 22, 2018, I 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.

Geoffrey W. Storm

Subscribed and sworn to before me May 22, 2018

Witness my hand and official seal.

MELISSA A. MORMAN **NOTARY PUBLIC** STATE OF COLORADO NOTARY ID 19894012434 MY COMMISSION EXPIRES AUGUST 29, 2021

Notary Public
My commission expires: \[\frac{\gamma}{2912021} \]