BEFORE THE OIL AND GAS CONSERVATION COMMISSIONAY 22 2018

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IN THE MATTER OF THE APPLICATION OF)	Cause No. 535
AXIS EXPLORATION, LLC FOR AN ORDER)	
VACATING ORDER NO. 535-849 AND)	Docket No. 180700526
ESTABLISHING AN APPROXIMATE 1,280-)	
ACRE DRILLING AND SPACING UNIT, AND)	Type: SPACING
ESTABLISHING WELL LOCATION RULES)	· ·
APPLICABLE TO THE DRILLING AND)	
PRODUCING OF WELLS FROM THE)	
NIOBRARA FORMATION COVERING CERTAIN	ý	
LANDS IN SECTIONS 4, 5, AND 6, TOWNSHIP	Ś	
3 SOUTH, RANGE 65 WEST 6TH P.M.,	ý	
UNNAMED FIELD, DENVER AND ADAMS	Ś	
COUNTIES, COLORADO.	ý	
	,	

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 vacating Order No. 535-849 and establishing an approximate 1,280-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 4: W½
Section 5: All
Section 6: E½

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 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. The Application Lands are subject to this Rule.

- 4. On September 11, 2017, the Commission entered Order No. 535-849, which established an approximate 640-acre drilling and spacing unit for certain lands in Sections 4, 5, and 6, Township 3 South, Range 65 West, 6th P.M., an approved a total of up to eight (8) horizontal wells within the unit, for the drilling of wells and producing of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the treated interval of any horizontal well within the unit being no closer than 460 feet from the unit boundary, and no closer than 150 feet from the productive interval of any other wellbore located in the unit, unless an exception is granted by the Director. The Application Lands are subject to this Order.
- 5. To promote efficient drainage of the Niobrara Formation within the Application Lands and to avoid waste, the Commission should vacate Order No. 535-849, and establish an approximate 1,280-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 4: W½
Section 5: All
Section 6: E½

- 6. Applicant is requesting to drill and complete one (1) horizontal well in the above-described approximate 1,280-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.
- 7. 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.
- 8. 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.
- 9. 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).

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 2/th/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

<u>VERIFICATION</u>

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

Annie Pierini Landman

Subscribed and sworn to before me this $\underline{\mathcal{U}}$ 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

Notary Public

My Commission Expires:

EXHIBIT A

PARTIES ENTITLED TO NOTICE UNDER RULE 507.c.

Adams County

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

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

ACP DIA 1287 Investors, LLC
Anadarko Land Corp.
Anadarko Land Corp., formerly known as Union Pacific Land Resources Corporation
Axis Exploration, LLC
Bison Exploration, LLC
Burlington Resources Oil & Gas Company, LP
ConocoPhillips Company
COP BROG I, LLC
The City and County of Denver, a municipal corporation of the State of Colorado
Extraction Oil & Gas, Inc.

Exhibit B - Application Lands

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 VACATING ORDER NO. 535-849 AND Docket No. 180700526 ESTABLISHING AN APPROXIMATE 1.280-ACRE DRILLING AND SPACING UNIT, AND Type: SPACING ESTABLISHING WELL LOCATION RULES APPLICABLE TO THE DRILLING AND PRODUCING OF **WELLS** FROM THE NIOBRARA FORMATION COVERING CERTAIN LANDS IN SECTIONS 4, 5, AND 6, TOWNSHIP 3 SOUTH, RANGE 65 WEST 6TH P.M., UNNAMED FIELD, DENVER AND ADAMS COUNTIES, COLORADO.

AFFIDAVIT OF MAILING

STATE OF COLORADO § § 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 23, 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 23, 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: 7 / 29 / 2021

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