

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



IN THE MATTER OF THE APPLICATION OF )  
AXIS EXPLORATION, LLC FOR AN ORDER )  
MODIFYING AN APPROXIMATE 1,280-ACRE )  
DRILLING AND SPACING UNIT TO ALLOW )  
ADDITIONAL WELLS WITHIN THE UNIT FOR )  
THE DRILLING AND PRODUCING OF WELLS )  
FROM THE NIOBRARA FORMATION )  
COVERING SECTIONS 16 AND 17, TOWNSHIP )  
3 SOUTH, RANGE 65 WEST 6TH P.M., )  
UNNAMED FIELD, ADAMS COUNTY, )  
COLORADO. )

Cause No. 535

Docket No. 181000785

Type: ADDITIONAL WELLS

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 modifying an approximate 1,280-acre drilling and spacing unit established by Order No. 535-512 to allow up to sixteen horizontal wells within the unit, for the drilling of wells and producing of oil, gas and associated hydrocarbons from the Niobrara Formation covering certain lands in Adams County, 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 drill 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 16: All  
Section 17: All

A reference map of the Application Lands is attached as Exhibit B 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.

4. On October 31, 2011, the Commission entered Order No. 535-89, which established eighteen (18) approximate 640-acre drilling and spacing units for certain lands in 3

South, 64 West, and 3 South, Range 65 West, 6th P.M., an approved two (2) horizontal wells within each unit, for the drilling of wells and producing of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the lateral of any well within the unit to enter the target formation no closer than 300 feet from the section line, and the treated interval of any horizontal well within the unit being located no closer than 460 feet from the unit boundary, and no closer than 920 feet from the productive interval of any other wellbore located in the unit producing from the Niobrara, unless an exception is granted by the Director.

5. On July 28, 2014, the Commission entered Order No. 535-512, which vacated two 640-acre drilling and spacing units established by Order No. 535-89, established an approximate 1,280-acre drilling and spacing unit covering Sections 16 and 17, Township 3 South, Range 65 West, 6th P.M., and approved up to two horizontal wells within the unit, for the production of oil, gas, and associated hydrocarbons from the Niobrara Formation, with the productive interval of the wellbore(s) located no closer than 460 feet from the unit boundaries, and no closer than 960 feet from the productive interval of any other wellbore located in the unit, without exception being granted by the Director. The Application Lands are subject to this Order.

6. On September 15, 2014, the Commission entered Order No. 535-552, which pooled all interests in an approximate 1,280-acre drilling and spacing unit established by order No. 535-512, and authorized cost-recovery pursuant to 34-60-116(7), C.R.S. for the drilling of the State of Colorado 3-65 16-17 1H Well (APi 05-001-09843), all for the development and operation of the Niobrara Formation. The Application Lands are subject to this Order.

7. The State of Colorado 3-65 16-17 1H Well has never been drilled, and the Form 2 Application for Permit-to-Drill is set to expire on November 6, 2018.

8. To promote efficient drainage of the Niobrara Formation within the Application Lands and to avoid waste, the Commission should modify an approximate 1,280-acre drilling and spacing unit established by Order No. 535-512 to allow fourteen (14) additional horizontal wells for a total of up to sixteen (16) horizontal wells within the established 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 16: All

Section 17: All

9. 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.

10. Applicant requests that the State of Colorado 3-65 16-17 1H Well continue to be governed by Order No. 535-552, and that, in the event the well is drilled, that any proceeds from the State of Colorado 3-65 16-17 1H Well be distributed in accordance therewith.

11. 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.

12. Applicant further requests that the wells are drilled and operated from no more than one (1) surface location within the unit or from a legal location on adjacent lands.

13. The names and addresses of the interested parties according to the information and belief of the Applicant are set forth in Exhibit A 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.

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Dated this 30th day of August, 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

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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 &amp; COUNTY OF DENVER

Pam Kingery, Land Advisor 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

*Pam Kingery*  
Pam Kingery  
Land Advisor

Subscribed and sworn to before me this 28<sup>th</sup> day of August 2018 by Pam Kingery, Land Advisor 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: 1/18/2012

**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 Rodriguez  
City of Aurora Planning Dept.  
15151 E. Alameda Parkway  
Aurora CO 80012

**Colorado Department of Public Health and Environment**

Attn: Oil and Gas Liaison  
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

## EXHIBIT A

### INTERESTED PARTIES

Axis Exploration, LLC  
Bison Oil & Gas, LLC  
Burlington Resources Oil & Gas Company, LP  
Chesapeake Exploration, LLC  
ConocoPhillips Company  
COP BROG I, LLC  
City and County of Denver  
The City of Aurora, Colorado a Municipal Corporation  
JPB/Open Country  
Bill L. Walters  
Summit Investments, Inc.  
Lawrence K. Montgomery and any unknown heirs to  
The Estates of John Gardner, Lloyd E. Gardner, Ethel Gardner  
and Opal Keefer  
Raisa II, LLC  
OOGC America LLC  
Everdeen Resources



Exhibit B - Application Lands

