

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
SINGLE ZONE ☐ MULTIPLE ZONE ☒ COMMINGLE ZONE ☐Refiling ☐Sidetrack ☐

Document Number:

400091476

Plugging Bond Surety

3. Name of Operator: AXIA ENERGY LLC

4. COGCC Operator Number: 10335

5. Address: 1430 LARIMER STREET #400

City: DENVER State: CO Zip: 80202

6. Contact Name: Venessa Langmacher Phone: (303)857-9999 Fax: (303)450-9200

Email: VLLPermitco@aol.com

7. Well Name: Kimball Creek Well Number: 23-214MD-995

8. Unit Name (if appl): Unit Number:

9. Proposed Total Measured Depth: 8841

WELL LOCATION INFORMATION

10. QtrQtr: SW SE Sec: 23 Twp: 9S Rng: 95W Meridian: 6

Latitude: 39.257131 Longitude: -107.959103

Footage at Surface: 754 FSL 2154 FEL
FNL/FSL FEL/FWL

11. Field Name: Kimball Creek Field Number:

12. Ground Elevation: 6368.2 13. County: MESA

14. GPS Data:

Date of Measurement: 08/23/2010 PDOP Reading: 2.0 Instrument Operator's Name: Ivan Martin

15. If well is ☒ Directional ☐ Horizontal (highly deviated) submit deviated drilling plan.Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
877 FSL 1980 FWL 877 FSL 1980 FWL
Sec: 23 Twp: 9S Rng: 95W Sec: 23 Twp: 9S Rng: 95W16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 236 ft

18. Distance to nearest property line: 446 ft 19. Distance to nearest well permitted/completed in the same formation: 1723 ft

20. LEASE, SPACING AND POOLING INFORMATION

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| Iles | ILES | | | |
| Mancos | MNCS | | | |
| Williams Fork | WMFK | | | |

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____

22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 20100084

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☐ Yes ☐ No

23b. If 23 is No ☐ Surface Owners Agreement Attached or ☒ \$25,000 Blanket Surface Bon ☐ \$2,000 Surface Bond ☐ \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):
T9S-R95W: Sec. 23: S2SW2, NE4SW4 Sec. 26: N/2 NW4

25. Distance to Nearest Mineral Lease Line: 446 ft 26. Total Acres in Lease: 194

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☒ No If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☐ Offsite ☒ Onsite

Method: ☐ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: Evaporation and Burial

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

| Casing Type | Size of Hole | Size of Casing | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bottom | Cement Top |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| CONDUCTOR | 24+0/0 | 16+0/0 | 65 | 60 | 100 | 60 | 0 |
| SURF | 12+1/4 | 9+5/8 | 36 | 1,200 | 497 | 1,200 | 0 |
| 1ST | 8+3/4 | 7+0/0 | 23 | 6,216 | 520 | 6,216 | 2,576 |
| 2ND | 6+1/4 | 4+1/2 | 11.6 | 8,841 | 398 | 8,841 | 5,216 |

32. BOP Equipment Type: ☐ Annular Preventer ☒ Double Ram ☐ Rotating Head ☐ None

33. Comments Axia Energy is the surface owner.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☐ No

36. Is this application part of submitted Oil and Gas Location Assessment ? ☒ Yes ☐ No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Venessa Langmacher

Title: Regulatory Supervisor Date: _____ Email: VLLPermitco@aol.com

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____ Director of COGCC Date: _____

Permit Number: _____ Expiration Date: _____

API NUMBER

05

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|--|
| 400092350 | WELL LOCATION PLAT | KC 23-214MD-995 Well Location Plat.pdf |
| 400092351 | DEVIATED DRILLING PLAN | 23-214dplanbinder.pdf |

Total Attach: 2 Files