

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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Document Number:

400085562

Plugging Bond Surety

20100083

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 ☐

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: vlpermitco@aol.com

7. Well Name: Kimball Creek Well Number: 14-406D-995

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

9. Proposed Total Measured Depth: 7298

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 14 Twp: 9S Rng: 95W Meridian: 6

Latitude: 39.279431 Longitude: -107.953117

Footage at Surface: 1686 FNL/FSL FNL 347 FEL/FWL FEL

11. Field Name: Buzzard Field Number: 9495

12. Ground Elevation: 6871 13. County: MESA

14. GPS Data:

Date of Measurement: 07/22/2010 PDOP Reading: 2.4 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 1815 FNL 660 FEL FEL Bottom Hole: FNL/FSL 1815 FNL 660 FEL FEL
Sec: 14 Twp: 9S Rng: 95W Sec: 14 Twp: 9S Rng: 95W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 393 ft

18. Distance to nearest property line: 350 ft 19. Distance to nearest well permitted/completed in the same formation: 1550 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.)
Corcoran	CRCRN	371-6	640	ALL
Cozzette	COZZ	371-6	640	ALL
Rollins	RLNS	371-6	640	ALL
Williams Fork	WMFK	371-6	640	ALL

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#: _____

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 Bond ☐ \$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. 14: SE, SE SW, SE NE

25. Distance to Nearest Mineral Lease Line: 347 ft 26. Total Acres in Lease: 239

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	8+5/8	32	1,930	570	1,930	0
1ST	7+7/8	4+1/2	11.6	7,298	888	7,298	3,240

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

33. Comments Location is greater than one mile from any well producing from the same formation. Axia is the surface owner. These wells are not at a legal location according to statewide spacing. A spacing hearing has been requested and on the schedule for October 21, 2010. Venessa Langmacher

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: 8/18/2010 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: David S. Neslin Director of COGCC Date: 10/31/2010

API NUMBER

05 077 10124 00

Permit Number: _____ Expiration Date: 10/30/2012

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.

1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

2) SURFACE CASING MUST BE RUN TO A MINIMUM DEPTH OF 1930'.

3) THE PROPOSED SURFACE CASING IS MORE THAN 50' BELOW THE DEPTH OF THE DEEPEST WATER WELL WITHIN 1 MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 190 FEET DEEP.

Attachment Check List

Att Doc Num	Name	Doc Description
400085562	FORM 2 SUBMITTED	LF @ 2527493 400085562
400085691	DEVIATED DRILLING PLAN	LF @ 2527494 400085691
400085692	WELL LOCATION PLAT	LF @ 2527495 400085692

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	removed surface bond. operator is surface owner.	10/29/2010 10:37:38 AM
Permit	Added Spacing Order 371-6, 640 acre, 10 acre equivalent. Sec 14, T9S R95W All.	10/28/2010 3:03:02 PM
Permit	On Hold pending new spacing order on the October 21st commission hearing docket.	9/20/2010 3:47:36 PM

Total: 3 comment(s)

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