

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



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03/28/2012

PluggingBond SuretyID

20100083

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER ☐ Horizontal Lateral ☐
 SINGLE ZONE ☒ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐Sidetrack ☒3. Name of Operator: AXIA ENERGY LLC4. COGCC Operator Number: 103355. Address: 1430 LARIMER STREET #400City: DENVER State: CO Zip: 802026. Contact Name: Lisa Smith Phone: (303)857-9999 Fax: (303)450-9200Email: Ispermitco@aol.com7. Well Name: Bulldog Well Number: 26-34H-894

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

9. Proposed Total Measured Depth: 16554

WELL LOCATION INFORMATION

10. QtrQtr: SW SE Sec: 26 Twp: 8N Rng: 94W Meridian: 6Latitude: 40.609433 Longitude: -107.911847

Footage at Surface: 300 feet FNL/FSL 1980 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 9999912. Ground Elevation: 6647 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 02/02/2012 PDOP Reading: 1.3 Instrument Operator's Name: Bart Hunting15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 731 FSL 2037 FEL FEL Bottom Hole: FNL/FSL 720 FSL 1224 FEL FEL
 Sec: 26 Twp: 8N Rng: 94W Sec: 23 Twp: 8N Rng: 94W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 5280 ft18. Distance to nearest property line: 1980 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 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.)
Niobrara	NBRR			

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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 ☐ No23b. 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):

T8N - R94W: Section 26: E/2, E/2W/2 Section 23: SE/4SW/4, S/2SE/4

25. Distance to Nearest Mineral Lease Line: 600 ft

26. Total Acres in Lease: 600

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 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☒ No

31. Mud disposal: ☒ Offsite ☐ Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: ☐ Land Farming ☐ Land Spreading ☒ Disposal Facility Other: _____

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	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	20	16	55	0	60	60	60	0
SURF	13+1/2	10+3/4	40.5	0	1,500	545	1,500	0
1ST	9+7/8	7+5/8	29.7	0	8,500	850	8,500	3,000
2ND	6+3/4	4+1/2	13.5	0	16,554	1,025	16,554	6,500

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

33. Comments 2nd string will be tapered, 5-1/2" 20 lb/ft from 0' - 8400' and 4-1/2" 13.5 lb/ft from 8400' - 16554'.

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: Lisa Smith

Title: Agent for Axia

Date: 3/28/2012

Email: lspermitco@aol.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: 5/17/2012

API NUMBER

05 081 07726 01

Permit Number: _____

Expiration Date: 5/16/2014

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) PROVIDE CEMENT COVERAGE FROM THE 1ST STRING CASING SHOE TO A MINIMUM OF 200' ABOVE TOP OF GAS [OR OTHER SHALLOWEST-KNOWN PRODUCING HORIZON]. VERIFY CEMENT WITH A CEMENT BOND LOG.

3) 2ND CASING STRING CEMENT TOP VERIFICATION BY CBL REQUIRED.

4) 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 000 FEET DEEP.

Before placing oil/salt based muds in a pit, operator must file and receive prior approval of a Pit Permit, Form 15. COGCC regulations regarding pit permits can be found in Rule 903.a.(3). PIT PERMITTING/REPORTING REQUIREMENTS.

Attachment Check List

Att Doc Num	Name
1533097	WAIVERS
1533100	SURFACE AGRMT/SURETY
2538024	LEASE MAP
400265206	FORM 2 SUBMITTED
400265848	WELL LOCATION PLAT
400265849	DEVIATED DRILLING PLAN
400266018	DIRECTIONAL DATA

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	LGD & pub. comments waived. Final Review--passed	5/15/2012 1:43:27 PM
Permit	attached oper.'s lease map showing voluntary pooling declaration and updated lease description. attached SUA emailed by oper. removed surface bond per oper.'s instructions	4/16/2012 3:36:45 PM
Permit	corrected lease description per oper.'s email. oper. to submit lease map to better illustrate leasehold. changed dist. to nearest min. lease to 0' since horiz. wellbore crosses multiple fee leases per oper.'s email. deleted "See comments" on unit configuration on Obj. Fms. tab.	4/13/2012 10:31:00 AM
Permit	added SE4, Sec. 26 to proposed spacing unit per oper.'s email.	4/2/2012 7:02:07 AM
Permit	Operator corrected directional template. This form has passed completeness.	3/28/2012 1:49:19 PM
Permit	Returned to draft. Deviated drill plan does not match directional template. #23 is does not cover wellbore	3/28/2012 10:44:50 AM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)