

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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03/30/2012

PluggingBond SuretyID

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APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER 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: 6-31H-790

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

9. Proposed Total Measured Depth: 19626

WELL LOCATION INFORMATION

10. QtrQtr: Lot 9 Sec: 6 Twp: 7N Rng: 90W Meridian: 6Latitude: 40.599406 Longitude: -107.533264

Footage at Surface: 533 feet FNL 2441 feet FEL
FNL/FSL FEL/FWL

11. Field Name: Wildcat Field Number: 9999912. Ground Elevation: 6464 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 01/25/2012 PDOP Reading: 1.2 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 FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
1048 FNL 2500 FEL 1920 FSL 1855 FWL
Sec: 6 Twp: 7N Rng: 90W Sec: 7 Twp: 7N Rng: 90W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 1814 ft18. Distance to nearest property line: 225 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	540-4	1028	S6:Lts8-10,12-23,S7:

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):

T7N - R90W: Section 6: Lots 8, 9, 14, 15, 16, 17, 22, 23: E2. Section 7: Lots 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15. N2, NE4SW4, N2NSE4.

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 483

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	9,405	940	9,405	3,000
2ND	6+3/4	4+1/2	13.5	0	19,626	1,285	19,626	7,400

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

33. Comments Proposed Spacing Unit: Sec. 6: lots 8-10, 12-23: NE4NW4, S2NW4, SW4, E2. Sec. 7: Lots 5-15; N2, NE4SW4, N2NSE4. 2nd string will be tapered, 5-1/2" 20 lb/ft from 0' - 9300' and 4-1/2" 13.5 lb/ft from 9300' - 19626'.

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: 3/30/2012 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: 6/8/2012

API NUMBER

05 081 07730 01

Permit Number: _____ Expiration Date: 6/7/2014

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.

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.

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 1MILE OF THE SURFACE LOCATION WHEN CORRECTED FOR ELEVATION DIFFERENCES. THE DEEPEST WATER WELL WITHIN 1 MILE IS 430 FEET DEEP.

Attachment Check List

Att Doc Num	Name
1533179	UNIT CONFIGURATION MAP
400265388	FORM 2 SUBMITTED
400265969	WELL LOCATION PLAT
400265982	DEVIATED DRILLING PLAN
400267598	OIL & GAS LEASE
400267599	OIL & GAS LEASE

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Off Hold--Spacing Order 540-4 for unit designation approved 5/12. Pooling Order 540-10 approved 5/12. Unit designation: Sec 6: Lots 8-10, 12-23 and Sec 7: Lots 5-15. Attached unit boundary map. Shortest distance from wellbore to unit boundary is 600' at BHL. LGD & pub. comments waived. Final Review--passed.	3/1/2012 1:02:06 PM
Permit	on hold pending May hearing on application for unit and pooling. questions on distance to nearest min. lease (0'?). Lease description pertains to lands in May application for spacing and pooling. Attached lease includes only Lots 8-9, 14-17, 22-23.	4/10/2012 11:21:18 AM
Permit	Operator corrected surface and minerals information. This form has passed completeness.	4/3/2012 6:41:17 AM
Permit	Returned to draft. missing surface and minerals information.	4/2/2012 8:07:22 AM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)