

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



Document Number:

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Date Received:

06/01/2012

PluggingBond SuretyID

20100083

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 LLC

4. COGCC Operator Number: 10335

5. Address: 1430 LARIMER STREET #400

City: DENVER State: CO Zip: 80202

6. Contact Name: Lisa Smith Phone: (303)857-9999 Fax: (303)450-9200

Email: lspermitco@aol.com

7. Well Name: Bulldog Well Number: 5-43H-789

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

9. Proposed Total Measured Depth: 19135

WELL LOCATION INFORMATION

10. QtrQtr: Lot 13 Sec: 5 Twp: 7N Rng: 89W Meridian: 6

Latitude: 40.591636 Longitude: -107.393278

Footage at Surface: 2178 feet FNL/FSL 723 feet FEL/FWL FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 6499 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 03/23/2012 PDOP Reading: 1.5 Instrument Operator's Name: Zach Leach

15. If well is ☐ Directional ☒ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 1679 FSL 963 FEL 720 FNL 600 FEL 720
Sec: 5 Twp: 7N Rng: 89W Sec: 17 Twp: 7N Rng: 89W

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: 623 ft

18. Distance to nearest property line: 723 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 3100 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	540-3		5:SE4,8:All,17:N2N2

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):

Please see attached Mineral lease Description. Order 540-3 designated a 970 acre unit consisting of Sec. 5:SE/4, Sec. 8: All, Sec. 17: N/2N/2. Order 540-8 pooled the mineral interests in this area.

25. Distance to Nearest Mineral Lease Line: 0 26. Total Acres in Lease: 1476

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	8,400	900	8,400	3,000
2ND	6+3/4	4+1/2	13.5	0	19,134	1,340	19,134	6,400

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

33. Comments Liner is tapered string 4 1/2" casing 5 1/2" casing

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: Authorized Agent Date: 6/1/2012 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: 7/23/2012

API NUMBER

05 081 07738 01

Permit Number: _____ Expiration Date: 7/22/2014

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.

- Provide cement coverage from the intermediate casing shoe to a minimum of 200' above Niobrara. Verify cement with a cement bond log.
- If the production liner is cemented, verify cement with a cement bond log.

(7) 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 340 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
400287955	FORM 2 SUBMITTED
400291389	DIRECTIONAL DATA
400291390	DEVIATED DRILLING PLAN
400291391	WELL LOCATION PLAT
400291392	UNIT CONFIGURATION MAP
400291393	LEGAL/LEASE DESCRIPTION

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Added unit and pooling order info. No LGD or public comments. Final Review--passed.	7/16/2012 3:57:22 PM
Engineer	changed opr's original 'casing' tab from 2 x liners to one casing string. production string is 5.5" to 8300', at which point 4.5" casing continues to TD	3/8/2012 1:24:49 PM

Total: 2 comment(s)

BMP

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

Total: 0 comment(s)