

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:

400417210

Date Received:

05/14/2013

PluggingBond SuretyID

20100083

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
 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: 22-41V-890

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

9. Proposed Total Measured Depth: 12730

WELL LOCATION INFORMATION

10. QtrQtr: Lot 1 Sec: 23 Twp: 8N Rng: 90W Meridian: 6

Latitude: 40.644322 Longitude: -107.467275

Footage at Surface: 107 feet FNL/FSL 320 feet FEL/FWL
 FNL FWL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 6352 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 05/02/2013 PDOP Reading: 1.3 Instrument Operator's Name: Bart Hunting

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
 107 FNL 700 FEL 107 FNL 700 FEL
 Sec: 22 Twp: 8N Rng: 90W Sec: 22 Twp: 8N Rng: 90W

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: 517 ft

18. Distance to nearest property line: 755 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1993 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.)
MANCOS	MNCS	540-23	2572	Sec. 15, 16, 21, 22
NIOBRARA	NBRR	540-23	2572	Sec. 15, 16, 21, 22

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#: 2010008423a. 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):

See attached lease description doc 2622631. Surface location is in Sec. 23 and productive interval is in Sec. 22. Even though the mineral lease line is 107 feet away, the nearest spacing unit line is 700 feet away, so this is a legal location.

25. Distance to Nearest Mineral Lease Line: 107 ft

26. Total Acres in Lease: 163

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
1ST	9+7/8	7+5/8	29.7#	0	10719	700	10719	5000
1ST LINER	6+3/4	4+1/2	13.5#	10619	12730	220	12730	10619
2ND	6+3/4	5+1/2	20#	0	10619	220	10619	9720
CONDUCTOR	20	16	55#	0	60	60	60	0
SURF	13+1/2	10+3/4	40.5#	0	1500	545	1500	0

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

33. Comments Production casing is tapered string 4-1/2" casing to 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: 5/14/2013

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: 8/7/2013

API NUMBER

05 081 07784 00

Permit Number: _____

Expiration Date: 8/6/2015

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.

COA Type	Description
	(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. (2) CEMENT ON PRODUCTION CASING MUST BE AT LEAST 200' ABOVE TOP OF FT. UNION AND COMPLY WITH RULES 209 AND 317.I. SEGREGATE OIL, GAS, AND FRESH-WATER-BEARING ZONES AND PROTECT COAL SEAMS. VERIFY TOP WITH CBL.

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Attachment Check List

Att Doc Num	Name
2622630	DIRECTIONAL DATA
2622631	LEGAL/LEASE DESCRIPTION
400417210	FORM 2 SUBMITTED
400417451	PLAT
400417454	DEVIATED DRILLING PLAN
400417456	SURFACE AGRMT/SURETY
400417856	UNIT CONFIGURATION MAP
400459835	DIRECTIONAL DATA

Total Attach: 8 Files

General Comments

User Group	Comment	Comment Date
Permit	OFF HOLD: Changed TPZ to match BHL of Location Plat. Changed Lease Description and Total acres as per Operator supplied lease description. Pertinent portion of lengthy lease description is attached as doc 2622631. Doc 400417856 is map of drilling/spacing unit.	8/5/2013 11:23:20 AM
Final Review	ON HOLD - requested lease description from operator	3/4/2013 8:55:10 AM
Permit	OFF HOLD - operator submitted new directional data	7/31/2013 7:01:10 AM
Permit	ON HOLD - directional data may need to be replaced	6/28/2013 2:20:38 PM
Engineer	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 30 FEET DEEP.	5/21/2013 3:18:48 PM
Permit	Pending other staff approvals.	5/16/2013 2:05:13 PM
Permit	Pass completeness.	5/14/2013 2:57:59 PM

Total: 7 comment(s)

Best Management Practices

No	BMP/COA Type	Description