

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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Document Number:

400428109

Date Received:

06/24/2013

PluggingBond SuretyID

20100083

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER Horizontal
 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: 10-34H-890

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

9. Proposed Total Measured Depth: 21083

WELL LOCATION INFORMATION

10. QtrQtr: Lot 2 Sec: 15 Twp: 8N Rng: 90W Meridian: 6Latitude: 40.658669 Longitude: -107.479903

Footage at Surface: 66 feet FNL 2038 feet FWL
 FNL/FSL FEL/FWL

11. Field Name: Wildcat Field Number: 9999912. Ground Elevation: 6525 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 02/05/2013 PDOP Reading: 1.3 Instrument Operator's Name: Glen McElroy15. 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
660 FSL 1980 FEL 629 FNL 1966 FEL
 Sec: 10 Twp: 8N Rng: 90W Sec: 3 Twp: 8N 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: 3164 ft18. Distance to nearest property line: 1915 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1310 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	540-12	2613	Sec. 3,4,9,10

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: 2081.1222. 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-R90W, 6th P.M. Section 3: All but W/2 NE/4., Section 9: N/2., Section 10: Lots 1-15 (All except SESE). Wellbore crosses lease lines. Distance to nearest lease line is 0 feet. Distance to nearest unit/pooling boundary is 625'.

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 1480

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	1500	545	1500	0
1ST	9+7/8	7+5/8	29.7#	0	10963	720	10963	
2ND	6+3/4	5+1/2	20#	0	10863	70	10863	9500
3RD	6+3/4	4+1/2	13.5#	10863	21083	902	21083	10863

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

33. Comments Production casing is tapered string 4-1/2" 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 - PermitCo Inc

Title: Agent for Axia Energy LLC

Date: 6/24/2013

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: 9/13/2013

API NUMBER

05 081 07786 00

Permit Number: _____

Expiration Date: 9/12/2015

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
	<p>(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.</p> <p>(2) SURFACE CASING SHALL BE SET AT A SUFFICIENT DEPTH TO COVER THE UPPER 50 FEET OF THE LANCE FORMATION, THE ENTIRE FORT UNION FORMATION, AND ANY OTHER OVERLYING FORMATIONS (IF PRESENT).</p> <p>(3) INTERMEDIATE CASING CEMENT TOP MUST BE A MINIMUM OF 200' ABOVE THE TOP OF THE FOX HILLS FORMATION (IF THERE ARE NO HYDROCARBON SHOWS IN THE LANCE FORMATION), OR 200' INTO THE SURFACE CASING (IF HYDROCARBON SHOWS ARE OBSERVED IN THE LANCE FORMATION). INTERMEDIATE CASING CEMENT COVERAGE VERIFICATION BY CBL IS REQUIRED.</p>

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2622641	Drilling Spacing Unit Map Mineral Lease Map
400428109	FORM 2 SUBMITTED
400437608	LEASE MAP
400445850	DIRECTIONAL DATA
400445851	DEVIATED DRILLING PLAN
400448243	PLAT

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Application is acceptable to State Land Board, per Tim Kelly	9/13/2013 7:05:59 AM
Permit	Corrected nearest well distance to 1310 feet to 10-24V-890 (APD pending). Notified State Land Board.	9/9/2013 3:51:49 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 260 FEET DEEP.	7/31/2013 5:47:44 PM
Permit	Pending other staff approvals. Changed Lease Description and Total Acres, as per Operator. See doc # 2622641 (attached) for Drilling & Spacing Unit map and Mineral Lease Map.	7/22/2013 11:18:14 AM
Permit	Back to draft for plat to include entire path of wellbore; Sec. 15, 10, and 3. Current attachment only has 15 and 3.	7/12/2013 7:56:06 AM
Permit	Back to draft for objective formation to be corrected, no explanation of lease line at "0".	6/25/2013 9:35:24 AM

Total: 6 comment(s)

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>