

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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Document Number:

400427977

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: 15-21H-890

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

9. Proposed Total Measured Depth: 20920

WELL LOCATION INFORMATION

10. QtrQtr: Lot 2 Sec: 15 Twp: 8N Rng: 90W Meridian: 6Latitude: 40.658631 Longitude: -107.480075

Footage at Surface: 80 feet FNL 1991 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 FNL 1980 FWL 625 FSL 1980 FWL
 Sec: 15 Twp: 8N Rng: 90W Sec: 22 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: 1962 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1320 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	540-17	2572	Sec. 15,16,21,22

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: 2083.1222. 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 15: W2, W2E2, E2SE. Section 16: All. Section 21: SE. Section 22: NE, S/2 S/2. (Balance of section 15 and 22 are AXIA at less than 100%.) 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: 1680

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	10936	720	10936	
2ND	6+3/4	5+1/2	20#	0	10836	70	10836	9500
TAPER	6+3/4	4+1/2	13.5#	10836	20920	860	20920	10836

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 07787 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

Att Doc Num	Name
400427977	FORM 2 SUBMITTED
400437627	PLAT
400437628	PROPOSED SPACING UNIT
400445869	DEVIATED DRILLING PLAN
400445871	DIRECTIONAL DATA

Total Attach: 5 Files

General Comments

User Group	Comment	Comment Date
Permit	Application is acceptable to State Land Board, per Tim Kelly	9/13/2013 7:03:19 AM
Permit	Corrected nearest well distance to 1320 feet to 15-11H-890 (APD pending). Notified State Land Board.	9/9/2013 3:56:26 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 5:40:27 PM
Permit	Pending other staff approvals. Operator [Natalie of Permitco] verifies 3 Miles for Line 19. Changed lease description and total acres per Operator,	7/17/2013 2:58:20 PM
Permit	Form passes completeness.	7/12/2013 7:51:51 AM
Permit	Back to draft for objective formation to be corrected and removal of bond number.	6/25/2013 9:29:05 AM

Total: 6 comment(s)

Best Management Practices

No	BMP/COA Type	Description