

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
SINGLE ZONE ☐ MULTIPLE ZONE ☒ COMMINGLE ZONE ☐

Refilling ☐
Sidetrack ☐

Document Number:

400091068

Plugging Bond Surety

20100083

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: Venessa Langmacher Phone: (303)857-9999 Fax: (303)450-9200
Email: vllpermitco@aol.com

7. Well Name: Kimball Creek Well Number: 23-210D-995

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

9. Proposed Total Measured Depth: 6524

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 23 Twp: 9S Rng: 95W Meridian: 6

Latitude: 39.257158 Longitude: -107.959106

Footage at Surface: 764 FNL/FSL FSL 2154 FEL/FWL FEL

11. Field Name: BUZZARD Field Number: 9495

12. Ground Elevation: 6368 13. County: MESA

14. GPS Data:

Date of Measurement: 08/23/2010 PDOP Reading: 2.0 Instrument Operator's Name: Ivan Martin

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

Footage at Top of Prod Zone: FNL/FSL 2181 FSL 1980 FEL/FWL FWL Bottom Hole: FNL/FSL 2181 FSL 1980 FEL/FWL FWL
Sec: 23 Twp: 9S Rng: 95W Sec: 23 Twp: 9S Rng: 95W

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: 236 ft

18. Distance to nearest property line: 446 ft 19. Distance to nearest well permitted/completed in the same formation: 1723 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.)
Iles	ILES	371-8	160	SW/4
Williams Fork	WMFK	371-8	160	SW/4

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#: 20100084

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 Bon ☐ \$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):
T9S-R95W: Sec. 23: S2SW4, NE4SW4 Sec.26: N2NW4

25. Distance to Nearest Mineral Lease Line: 446 ft 26. Total Acres in Lease: 194

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☐ No If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☐ Offsite ☒ Onsite

Method: ☐ Land Farming ☐ Land Spreading ☐ Disposal Facility Other: Evaporation and Burial

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	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
CONDUCTOR	24+0/0	16+0/0	65	60	100	60	0
SURF	12+1/4	8+5/8	32	1,000	570	1,000	0
1ST	7+7/8	4+1/2	11.6	6,524	806	6,524	2,809

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

33. Comments Axia Energy is the surface owner. A spacing hearing has been requested and on the schdule for October 21,2010. Venessa Langmacher.

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: Venessa Langmacher

Title: Regulatory Supervisor Date: 9/13/2010 Email: vllpermitco@aol.com

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: David S. Neslin Director of COGCC Date: 10/31/2010

API NUMBER

05 077 10120 00

Permit Number: _____ Expiration Date: 10/30/2012

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.

2) SURFACE CASING MUST BE RUN TO A MINIMUM DEPTH OF 1500'.

3) 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 190 FEET DEEP.

Attachment Check List

Att Doc Num	Name	Doc Description
400091068	FORM 2 SUBMITTED	LF@2541064 400091068
400092325	DEVIATED DRILLING PLAN	LF@2541065 400092325
400092342	WELL LOCATION PLAT	LF@2541066 400092342

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Added Spacing Order 371-8, 160 acre, 10 acre equivalent. Sec 23, T9S R95W SW/4	10/29/2010 11:44:43 AM
Permit	ON HOLD. Notified by Venessa for Axia application for Spacing order (1010-SP-35) is scheduled for October hearing.	10/12/2010 11:00:12 AM
Permit	Plugging bond added, and Qtr/Qtr corrected w/opr-Venessa's permission	9/14/2010 10:56:03 AM

Total: 3 comment(s)

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