

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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Document Number:

400085654

Plugging Bond Surety

20100083

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 ☐

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

7. Well Name: Kimball Creek Well Number: 11-416D-995

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

9. Proposed Total Measured Depth: 7815

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 14 Twp: 9S Rng: 95W Meridian: 6

Latitude: 39.279452 Longitude: -107.953115

Footage at Surface: 1678 feet FNL/FSL 347 feet FEL/FWL FEL

11. Field Name: BUZZARD Field Number: 9495

12. Ground Elevation: 6871 13. County: MESA

14. GPS Data:

Date of Measurement: 07/22/2010 PDOP Reading: 2.4 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 165 FSL 660 FEL FEL Bottom Hole: FNL/FSL 165 FSL 660 FEL FEL
Sec: 11 Twp: 9S Rng: 95W Sec: 11 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: 393 ft

18. Distance to nearest property line: 350 ft 19. Distance to nearest well permitted/completed in the same formation: 1500 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.)
Corcoran	CRCRN	371-5	480	E/2W/2, E/2
Cozzette	COZZ	371-5	480	E/2W/2, E/2
Rollins	RLNS	371-5	480	E/2W/2, E/2
Williams Fork	WMFK	371-5	480	E/2W/2, E/2

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. 11: SE SE (Parcel # 2667-114-00-271)

25. Distance to Nearest Mineral Lease Line: 165 ft 26. Total Acres in Lease: 15

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	1,930	570	1,930	0
1ST	7+7/8	4+1/2	11.6	7,815	984	7,815	3,355

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

33. Comments Location is greater than one mile from any well producing from the same formation. A change of spacing order has been requested and is on the schedule 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: 8/18/2010 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: 11/26/2010

API NUMBER

05 077 10137 00

Permit Number: _____ Expiration Date: 11/25/2012

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 1930'.

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
400085654	FORM 2 SUBMITTED
400085705	DEVIATED DRILLING PLAN
400085706	WELL LOCATION PLAT

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	ON HOLD for an additional 30 days. Spacing Order protested. The protestant has 30 days from the date the orders are mailed to appeal the decisions to district court. Operator requested we continue to hold application.	10/29/2010 9:25:41 AM
Permit	Added Spacing Order 371-5, 480 acre, 10 acre equivalent. Sec 11, T9S R95W E/2W/2, E/2.	10/29/2010 9:24:37 AM
Permit	On Hold pending new spacing order on the October 21st commission hearing docket.	9/20/2010 3:49:59 PM
Permit	Opr corrected information	8/23/2010 12:51:58 PM
Permit	back to draft for you to answer question 22 in the Lease Spacing & pooling section	8/20/2010 2:07:26 PM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)