

APPLICATION FOR PERMIT TO:

1. **Drill,** Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL

OIL GAS COALBED OTHER Lateral
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)857-999 Fax: (303)450-9200
Email: lspermitco@aol.com
7. Well Name: Bulldog Well Number: 6-31H-790
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 19626

WELL LOCATION INFORMATION

10. QtrQtr: Lot 9 Sec: 6 Twp: 7N Rng: 90W Meridian: 6
Latitude: 40.599406 Longitude: -107.533264
Footage at Surface: 533 feet FNL/FSL FNL 2441 feet FEL/FWL FEL
11. Field Name: Wildcat Field Number: 99999
12. Ground Elevation: 6464 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 01/25/2012 PDOP Reading: 1.2 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 1048 FNL 2500 FEL 1920 FSL 1855 FWL 1920 FSL 1855 FWL
Sec: 6 Twp: 7N Rng: 90W Sec: 7 Twp: 7N 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: 1814 ft
18. Distance to nearest property line: 225 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 ft

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 | | | See Comments |

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#: _____
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 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):
 T7N - R90W: Section 6: Lots 8, 9, 14, 15, 16, 17, 22, 23: E2. Section 7: Lots 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15. N2, NE4SW4, N2NSE4.

25. Distance to Nearest Mineral Lease Line: 224 ft 26. Total Acres in Lease: 483

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 | 1,500 | 545 | 1,500 | 0 |
| 1ST | 9+7/8 | 7+5/8 | 29.7 | 0 | 9,405 | 940 | 9,405 | 3,000 |
| 1ST LINER | 9+7/8 | 5+1/2 | 20 | 0 | 9,300 | 125 | 9,300 | 7,400 |
| 2ND LINER | 6+3/4 | 4+1/2 | 13.5 | 9300 | 19,626 | 1,160 | 19,626 | 9,300 |

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

33. Comments Proposed Spacing Unit: Sec. 6: lots 8-10, 12-23: NE4NW4, S2NW4, SW4, E2. Sec. 7: Lots 5-15; N2, NE4SW4, N2NSE4.

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: Agent for Axia Date: 3/30/2012 Email: lspermitco@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: _____ **Director of COGCC** Date: _____

API NUMBER Permit Number: _____ Expiration Date: _____

05

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.

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400265388 | FORM 2 SUBMITTED |
| 400265969 | PLAT |
| 400265982 | DEVIATED DRILLING PLAN |
| 400267598 | OIL & GAS LEASE |
| 400267599 | OIL & GAS LEASE |

Total Attach: 5 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | |

Total: 0 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
| | |

Total: 0 comment(s)