

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400274114

Date Received:

04/25/2012

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

PluggingBond SuretyID

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: Lisa Smith Phone: (303)857-9999 Fax: (303)450-9200

Email: lspemitco@aol.com

7. Well Name: Bulldog Well Number: 20-12H-892

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

9. Proposed Total Measured Depth: 19500

WELL LOCATION INFORMATION

10. QtrQtr: SWNW Sec: 20 Twp: 8N Rng: 92W Meridian: 6

Latitude: 40.632925 Longitude: -107.750883

Footage at Surface: 1641 feet FNL 712 feet FWL

11. Field Name: Lay Creek Field Number: 48550

12. Ground Elevation: 6845 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 03/11/2012 PDOP Reading: 1.3 Instrument Operator's Name: Glenn McElroy

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

Footage at Top of Prod Zone: 2081 FNL 485 FWL Bottom Hole: 1920 FSL 600 FWL
Sec: 20 Twp: 8N Rng: 92W Sec: 30 Twp: 8N Rng: 92W

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: 5280 ft

18. Distance to nearest property line: 321 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 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			

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):

T8N - R92W: Section 19: E2SE, SENE, Section 20: SWSW, S2NW, N2SW

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 320

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	8,500	850	8,500	3,000
2ND	6+3/4	4+1/2	13.5	0	19,500	1,355	19,500	6,500

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

33. Comments Liner is tapered string 41/52" casing to 51/2" 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

Title: Authorized Agent Date: 4/25/2012 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: [Signature] Director of COGCC Date: 5/31/2012

API NUMBER Permit Number: _____ Expiration Date: 5/30/2014

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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) PROVIDE CEMENT COVERAGE FROM THE 7-5/8" CASING SHOE TO A MINIMUM OF 200' ABOVE TOP OF GAS [OR OTHER SHALLOWEST-KNOWN PRODUCING HORIZON]. VERIFY CEMENT WITH A CEMENT BOND LOG.
- 3) PRODUCTION CASING CEMENT TOP VERIFICATION BY CBL REQUIRED.
- 4) 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 690 FEET DEEP.

Before placing oil/salt based muds in a pit, operator must file and receive prior approval of a Pit Permit, Form 15. COGCC regulations regarding pit permits can be found in Rule 903.a.(3). PIT PERMITTING/REPORTING REQUIREMENTS.

Attachment Check List

Att Doc Num	Name
1533105	SURFACE AGRMT/SURETY
1533118	SURFACE AGRMT/SURETY
1533164	OTHER
400274114	FORM 2 SUBMITTED
400276784	DIRECTIONAL DATA
400276788	DEVIATED DRILLING PLAN
400276789	WELL LOCATION PLAT

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Off Hold--Attached voluntary pooling declaration map. Deleted reference to "proposed spacing unit" language in mineral lease description. Changed distance to nearest mineral lease to 0' since wellbore crosses mineral lease lines. Shortest distance of horiz. wellbore from pooling boundary is 600' at BHL and 740' in SE/4 Section 19. LGD/pub. comments waived. Final Review--passed.	5/29/2012 10:42:43 AM
Permit	Attached SUA Memo emailed by oper. Confirmed that spacing & hearing application for 5/29/2012 hearing has been withdrawn. Now a voluntary pooling drilling unit. Removed surface bond.	5/18/2012 10:29:53 AM
Permit	Rec'd. confirmation that spacing and pooling applications have been withdrawn.	5/17/2012 8:55:50 AM
Permit	Oper. indicated that spacing and pooling application for May hearing will be pulled. Voluntary pooling unit. Changed distance to nearest min. lease to 740' (shortest distance along horizontal wellbore to edge of proposed vol. pooling unit).	5/16/2012 2:19:03 PM
Permit	Added Lay Creek field name. May hearing UP 142 & SP 53.	5/1/2012 10:00:37 AM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)