

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:

400279478

Date Received:

05/07/2012

PluggingBond SuretyID

20100083

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)857-9999 Fax: (303)450-9200

Email: lspermitco@aol.com

7. Well Name: Bulldog Well Number: 1-22H-791

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

9. Proposed Total Measured Depth: 19517

WELL LOCATION INFORMATION

10. QtrQtr: Lot 11 Sec: 1 Twp: 7N Rng: 91W Meridian: 6

Latitude: 40.594928 Longitude: -107.553075

Footage at Surface: 2207 feet FNL 2666 feet FEL

11. Field Name: Wildcat Field Number: 99999

12. Ground Elevation: 6535 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 02/06/2012 PDOP Reading: 1.5 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 FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
2566 FSL 2610 FWL 600 FSL 1206 FWL
Sec: 1 Twp: 7N Rng: 91W Sec: 12 Twp: 7N Rng: 91W

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: 406 ft

18. Distance to nearest property line: 2207 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	540-6	889	S1:L9-20,S12:L1-6,11

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):

Please see Exhibit A (Lease Description)

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 9434

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	9,650	950	9,650	3,000
2ND	6+3/4	4+1/2	13.5	0	19,517	1,285	19,517	7,550

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

33. Comments Liner is tapered string 41/2" casing 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: 5/7/2012

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: _____

Director of COGCC

Date: 8/18/2012

API NUMBER

05 081 07746 01

Permit Number: _____

Expiration Date: 8/17/2014

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 INTERMEDIATE 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 440 FEET DEEP.

Attachment Check List

Att Doc Num	Name
1533180	UNIT CONFIGURATION MAP
400279478	FORM 2 SUBMITTED
400281648	WELL LOCATION PLAT
400281650	DIRECTIONAL DATA
400281651	DEVIATED DRILLING PLAN
400281661	LEGAL/LEASE DESCRIPTION

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Nearest distance to unit boundary is 600' at BHL. No LGD or public comments. Final Review--passed.	8/16/2012 8:00:51 AM
Permit	Changed dist. to nearest min. lease to 0' since wellbore crosses lease lines. Spacing Order 540-6 approved 5/12. Pooling Order 540-7 approved 5/12. Attached unit configuration map.	3/1/2012 1:13:07 PM
Permit	Operator corrected 2b, 15, invalid SHL, and surface and minerals information. This form has passed completeness.	5/11/2012 9:46:35 AM
Permit	Returned to draft. Missing 2b, 15, invalid SHL, and surface and minerals information.	5/11/2012 7:35:36 AM
Permit	Returned to draft. Missing 2b, 15, invalid SHL, and surface and minerals information.	5/7/2012 11:46:52 AM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)