

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



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04/17/2013

PluggingBond SuretyID

20100083

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER ☐ Pilot/Directional ☐
 SINGLE ZONE ☐ MULTIPLE ☐ COMMINGLE ☐

Refiling ☐Sidetrack ☐3. Name of Operator: AXIA ENERGY LLC4. COGCC Operator Number: 103355. Address: 1430 LARIMER STREET #400City: DENVER State: CO Zip: 802026. Contact Name: Lisa Smith Phone: (303)857-9999 Fax: (303)450-9200Email: Ispermitco1@aol.com7. Well Name: Bulldog Well Number: 17-11H-893

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

9. Proposed Total Measured Depth: 14535

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 17 Twp: 8N Rng: 93W Meridian: 6Latitude: 40.651136 Longitude: -107.863631

Footage at Surface: 328 feet FNL 961 feet FNL/FSL FWL

11. Field Name: Wildcat Field Number: 9999912. Ground Elevation: 6556 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 03/25/2013 PDOP Reading: 1.2 Instrument Operator's Name: Glenn McElroy15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 654 FNL 687 FWL 660 FNL 660 FWL
 Sec: 17 Twp: 8N Rng: 93W Sec: 17 Twp: 8N Rng: 93W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 11594 ft18. Distance to nearest property line: 341 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1320 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.)
Mancos	MNCS	540-14, 20	2533	See Attached
Niobrara	NBRR	540-14, 20	2533	See Attached

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 2010008423a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☐ Yes ☒ No23b. 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):

See lease description attached. The spacing and pooling orders allow for penetration of all FEE minerals within the spacing unit.

25. Distance to Nearest Mineral Lease Line: 658 ft 26. Total Acres in Lease: 3429

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	26.4#	0	12,300	780	12,300	6,000
OPEN HOLE	6+3/4	0+0/0	0	0	14,535	300	14,535	12,460

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

33. Comments This wellbore is for informational purposes only and will not be produced.

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: 4/17/2013 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: Matthew Lee Director of COGCC Date: 6/28/2013

API NUMBER

05 081 07781 00

Permit Number: _____ Expiration Date: 6/27/2015

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 CBL.

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
400401754	FORM 2 SUBMITTED
400405280	PLAT
400405282	DEVIATED DRILLING PLAN
400405285	DIRECTIONAL DATA
400405288	LEGAL/LEASE DESCRIPTION
400405290	UNIT CONFIGURATION MAP
400406355	DIRECTIONAL DATA
400406358	CONSULT NOTICE
400406359	WAIVERS

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Pass. This is pilot hole for HZ doc # 4007401556. Corrected nearest well distance to 1320.	5/9/2013 11:18:09 AM
Engineer	Trying to email opr rep re: is bottom "casing string" OPEN HOLE instead?	4/30/2013 1:52:00 PM
Engineer	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 180 FEET DEEP.	4/30/2013 1:39:23 PM
Permit	Surface bond data provided. Passed completeness.	4/23/2013 9:01:42 AM
Permit	This form has been returned to draft: 1) Surface surety bond # must be provided.	4/19/2013 9:39:16 AM

Total: 5 comment(s)

BMP

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