

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

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Document Number:

400388883

Date Received:

07/20/2013

PluggingBond SuretyID

20100083

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER 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: Ispermitco@aol.com7. Well Name: Bulldog Well Number: 8-34V-891

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

9. Proposed Total Measured Depth: 14053

WELL LOCATION INFORMATION

10. QtrQtr: NW NE Sec: 17 Twp: 8N Rng: 91W Meridian: 6Latitude: 40.658575 Longitude: -107.627456

Footage at Surface: 112 feet FNL 2161 feet FEL
 FNL/FSL FEL/FWL

11. Field Name: Wildcat Field Number: 9999912. Ground Elevation: 6975 13. County: MOFFAT

14. GPS Data:

Date of Measurement: 03/28/2013 PDOP Reading: 1.4 Instrument Operator's Name: Bart Hunting15. 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
660 FSL 1980 FEL 660 FSL 1980 FEL
 Sec: 8 Twp: 8N Rng: 91W Sec: 8 Twp: 8N Rng: 91W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 948 ft18. Distance to nearest property line: 142 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1 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	540-26	2605	Sec. 5-8 All
Niobrara	NBRR	540-26	2605	Sec. 5-8 All

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#: _____23a. 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):

Partial Lease Description: T8N-R91W Sec. 8: NW/4, N/2 SW/4, SE SW, E/2; Sec. 17: E/2 NW/4, NW NW, NE NW, NE/4, E/2 SE/4, NE NW. See attached for full lease description. Total acres in this lease 9,433.83. This well bore crosses section lines, but stays within the same lease. Pending Spacing Order to be determined for hearing on 9/16-17/2013. Total acres in the proposed spacing unit - 2661. See Exhibit.

25. Distance to Nearest Mineral Lease Line: 1980 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	1500	545	1500	0
1ST	9+7/8	7+5/8	29.7#	0	11750	820	11750	
2ND	6+3/4	5+1/2	20#	0	11550	220	11550	10750
TAPER	6+3/4	4+1/2	13.5#	11550	14053	180	14053	11550

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

33. Comments This well is proposed as a vertical well - however it will be slightly deviated from it's surface location.

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 - PermitCo inc

Title: Agent for Axia Energy Date: 7/20/2013 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: 11/26/2013

API NUMBER

05 081 07795 00

Permit Number: _____ Expiration Date: 11/25/2015

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.

Description

(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED.

(2) INTERMEDIATE CASING CEMENT MUST PROVIDE COVERAGE OF ALL CRETACEOUS FORMATIONS PENETRATED BY THE INTERMEDIATE HOLE, INCLUDING THE LANCE FORMATION (IF HYDROCARBON SHOWS ARE OBSERVED IN THE LANCE FORMATION). INTERMEDIATE CASING CEMENT IS ALSO REQUIRED ACROSS THE UPPER 50 FEET OF THE LANCE FORMATION (IF NOT ALREADY CEMENTED, AS DESCRIBED ABOVE), THE ENTIRE FORT UNION FORMATION, AND ANY PORTION OF THE WASATCH FORMATION THAT IS PRESENT BELOW THE SURFACE CASING SHOE. INTERMEDIATE CEMENT SHALL LAP 200' INTO THE SURFACE CASING. INTERMEDIATE CASING CEMENT COVERAGE VERIFICATION BY CBL IS REQUIRED.

Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400388883	APD APPROVED
400424864	PLAT
400424867	DIRECTIONAL DATA
400424868	DEVIATED DRILLING PLAN
400424869	OTHER
400451192	SURFACE AGRMT/SURETY
400451193	LEGAL/LEASE DESCRIPTION
400451194	PROPOSED SPACING UNIT
400519088	FORM 2 SUBMITTED

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Passes Permitting.Changed acreage in porposed spacing unit as per Operator.	8/6/2013 10:44:37 AM
Engineer	PROPOSED SURFACE CASING OF 1,500 FEET MAY NOT PROVIDE FULL COVERAGE OF WASATCH FORMATION, BASED ON FORT UNION REPORTED LOG TOPS IN OFFSET WELLS. 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 000 FEET DEEP (NO WATER WELLS WITHIN 1-MILE).	8/1/2013 11:40:02 AM
Permit	Passed completeness.	7/22/2013 2:12:27 PM

Total: 3 comment(s)

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>