

FORM
2

Rev
08/13

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:

400432621

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER LateralFor4004327

Refilling ☐

Date Received:

09/11/2013

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☒

Well Name: Bulldog

Well Number: 2-33H-791

Name of Operator: AXIA ENERGY LLC

COGCC Operator Number: 10335

Address: 1430 LARIMER STREET #400

City: DENVER State: CO Zip: 80202

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

Email: Lisa@permitco-usa.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20100083

WELL LOCATION INFORMATION

QtrQtr: Lot 13 Sec: 2 Twp: 7N Rng: 91W Meridian: 6

Latitude: 40.592886

Longitude: -107.566884

Footage at Surface: 2283 feet FNL/FSL FSL 1175 feet FEL/FWL FEL

Field Name: Wildcat Field Number: 99999

Ground Elevation: 6625 County: MOFFAT

GPS Data:

Date of Measurement: 01/17/2013 PDOP Reading: 1.3 Instrument Operator's Name: Glen McElroy

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

Footage at Top of Prod Zone: FNL/FSL 1653 FSL 1945 FEL 2011 FNL 1983 FEL 2011
Sec: 2 Twp: 7N Rng: 91W Sec: 14 Twp: 7N Rng: 91W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

The Surface Owner is: ☐ is the mineral owner beneath the location.
(check all that apply) ☐ is committed to an Oil and Gas Lease.

☐ has signed the Oil and Gas Lease.

☐ is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: ☒ Fee ☐ State ☐ Federal ☐ Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: Surface Use Agreement

Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

At surface: Lessor: Alice Lorraine Robinson. T7N - R90W: Sec. 6: Lot 10, 12, 13, 18-21; Sec. 7: Lots 5-15, 18-20; Sec. 8: Lots 9-16; Sec. 17: Lots 3-4; Sec. 18: Lots 5-8; T7N - R91W: Sec. 1: Lots 17-20; Sec. 2: Lots 13, 14, 19, 20; Sec. 12: Lots 1-6, 8, 11-16; Sec. 13: Lots 1, 2 - containing 2307.7 acres.

Total Acres in Described Lease: 2308 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 3705 Feet
Building Unit: 5280 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 345 Feet
Above Ground Utility: 3705 Feet
Railroad: 5280 Feet
Property Line: 2978 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: ☐ Buffer Zone
☐ Exception Zone
☐ Urban Mitigation Area

- Buffer Zone - as described in Rule 604.a.(2), within 1,000' of a Building Unit
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 1320 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 638 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
MANCOS	MNCS	540-16	2609	See Unit Map
NIOBRARA	NBRR	540-16	2609	See Unit Map

DRILLING PROGRAM

Proposed Total Measured Depth: 20425 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1320 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than

or equal to 100 ppm? No (If Yes, attach an H2S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? Yes

BOP Equipment Type: ☒ Annular Preventor ☒ Double Ram ☐ Rotating Head ☐ None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Other

Other Disposal Description:

Water based cuttings to be tested to Table 910 standards, mixed/treated as necessary and buried or spread at location. Oil based cuttings will be hauled to a commercial disposal facility.

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
CONDUCTOR	20	16	75#	0	60	60	60	0
SURF	13+1/2	10+3/4	40.5#	0	1500	410	1500	0
1ST	9+7/8	7+5/8	26.4#	0	10788	830	10788	
2ND	6+3/4	5+1/2	20#	0	10688	85	10688	8688
TAPER	6+3/4	4+1/2	13.5#	10688	20425	675	20425	10688

☐ Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- ☐ Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- ☐ Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- ☐ Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- ☐ Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318A.a. Exception Location (GWA Windows).
- ☐ Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

☐ Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

OTHER LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318.c. Exception Location from Rule or Spacing Order Number _____
- ☐ Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments Liner is tapered 4-1/2" casing to 5-1/2" casing.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: _____

Is this application being submitted with an Oil and Gas Location Assessment application? Yes

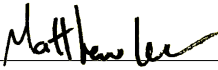
I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Lisa Smith - PermitCo inc

Title: Authorized Agent for Axia Date: 9/11/2013 Email: lisa@permitco-usa.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: 2/8/2014

Expiration Date: 02/07/2016

API NUMBER

05 081 07796 01

Conditions Of Approval

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.

COA Type

Description

	Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged.
	(1) COMPLIANCE WITH THE MOST CURRENT REVISION OF THE NORTHWEST COLORADO NOTIFICATION POLICY IS REQUIRED. (2) CEMENT ON INTERMEDIATE CASING (FIRST STRING) MUST EXTEND INTO THE SURFACE CASING (MINIMUM 200' LAP ABOVE SURFACE CASING SHOE) TO PROVIDE ISOLATION OF ALL CRETACEOUS (INCLUDING MESAVERDE GROUP, LEWIS, FOX HILLS, AND LANCE) AND TERTIARY (FORT UNION AND WASATCH, IF PRESENT) OIL, GAS, AND WATER-BEARING SANDSTONE AND COALBED FORMATIONS THAT ARE NOT OTHERWISE COVERED BY SURFACE CASING. VERIFY INTERMEDIATE (FIRST STRING) CASING CEMENT COVERAGE WITH A CBL.

Best Management Practices

No BMP/COA Type

Description

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Applicable Policies and Notices to Operators

NW Colorado Notification Policy.

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num

Name

400432621	FORM 2 SUBMITTED
400479922	MINERAL LEASE MAP
400479924	PLAT
400479925	SURFACE AGRMT/SURETY
400479927	WAIVERS
400479929	30 DAY NOTICE LETTER
400481269	UNIT CONFIGURATION MAP
400483846	DEVIATED DRILLING PLAN

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed. No LGD comments.	1/29/2014 8:12:20 AM
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 440 FEET DEEP.	10/4/2013 5:01:03 PM
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.	10/4/2013 4:59:38 PM
Permit	Passes Permitting. Made minor change to BHL footage location as per Operator.	9/23/2013 1:14:10 PM
Permit	Returned to draft: 1) BHL footages do not match attached PLAT (which should be labeled "Well Location Plat"). 2) No PDF of deviated drilling plan with side/plan views attached.	9/16/2013 8:49:38 AM
Permit	Returned to DRAFT. The wellbore apparently crosses multiple leases therefore the distance to the nearest lease line should be zero. Objective formations says "see attached requested clarification on that. Requested removal of the multi-well plan. Requested review of the distance to the nearest unit boundary says 599 but that is not legal or more than likely not valid.	9/13/2013 10:20:30 AM
Permit	Returned to draft: All cultural distances must be filled in.	9/12/2013 8:26:40 AM

Total: 7 comment(s)