

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:  
400388520

APPLICATION FOR PERMIT TO:

Drill  Deepen  Re-enter  Recomplete and Operate

Date Received:  
11/21/2013

TYPE OF WELL OIL  GAS  COALBED  OTHER Pilot \_\_\_\_\_

Refilling

ZONE TYPE SINGLE ZONE  MULTIPLE ZONES  COMMINGLE ZONES

Sidetrack

Well Name: Bulldog Well Number: 17-31H-891  
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: NW NE Sec: 17 Twp: 8N Rng: 91W Meridian: 6

Latitude: 40.658638 Longitude: -107.627338

Footage at Surface: 90 feet <sup>FNL/FSL</sup> FNL 2128 feet <sup>FEL/FWL</sup> FEL

Field Name: Wildcat Field Number: 99999

Ground Elevation: 6975 County: MOFFAT

GPS Data:

Date of Measurement: 01/11/2013 PDOP Reading: 1.1 Instrument Operator's Name: Glen McElroy

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

Footage at Top of Prod Zone: <sup>FNL/FSL</sup> 660 <sup>FEL/FWL</sup> FNL 1795 <sup>FEL</sup> FEL Bottom Hole: <sup>FNL/FSL</sup> 660 <sup>FEL/FWL</sup> FNL 1983 <sup>FEL</sup> FEL  
Sec: 17 Twp: 8N Rng: 91W Sec: 17 Twp: 8N 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.)

Partial Lease Description (see Lambert lease attached): T8N-R91W Sec. 17: E/2NW, NWNW, NE, E/2, SE. Total Lease contains 8802.79 acres. Distance to nearest mineral lease line is 2128'. Proposed spacing unit contains 2605 acres.

Total Acres in Described Lease: 8803 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: 2128 Feet

**CULTURAL DISTANCE INFORMATION**

Distance to nearest:

Building: 1481 Feet  
 Building Unit: 1553 Feet  
 High Occupancy Building Unit: 5280 Feet  
 Designated Outside Activity Area: 5280 Feet  
 Public Road: 836 Feet  
 Above Ground Utility: 966 Feet  
 Railroad: 5280 Feet  
 Property Line: 2128 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: 1325 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 660 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.)
Niobrara	NBRR			

**DRILLING PROGRAM**

Proposed Total Measured Depth: 14012 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 1325 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S Drilling Operations Plan)



**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 This well is for informational purposes only and will not be produced.

COGCC: Operator's details moved here from eForm Casing Tab - open hole will be plugged back from 14,012' to 11,700' with 370 sacks cement prior to drilling the lateral hole.

This application is in a Comprehensive Drilling Plan       No       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: Agent for Axia Energy Date: 11/21/2013 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: 3/8/2014

Expiration Date: 03/07/2016

<b>API NUMBER</b>
05 081 07797 00

## 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.

<u>COA Type</u>	<u>Description</u>
	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. SEE ATTACHED NOTICE.  (2) CEMENT ON THE 7-5/8" FIRST STRING (INTERMEDIATE CASING) MUST EXTEND INTO THE SURFACE CASING (MINIMUM 200' LAP ABOVE SURFACE CASING SHOE) TO PROVIDE ISOLATION OF ALL CRETACEOUS (MESAVERDE, LEWIS, FOX HILLS [IF PRESENT] AND LANCE) AND TERTIARY (FORT UNION AND WASATCH) OIL, GAS, AND WATER-BEARING SANDSTONE AND COALBED FORMATIONS THAT ARE NOT OTHERWISE COVERED BY SURFACE CASING. VERIFY 7-5/8" FIRST STRING (INTERMEDIATE CASING) CEMENT COVERAGE WITH A CBL.

## Best Management Practices

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

## 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>
400388520	FORM 2 SUBMITTED
400451203	UNIT CONFIGURATION MAP
400513813	DEVIATED DRILLING PLAN
400513814	OIL & GAS LEASE
400513816	MINERAL LEASE MAP
400513818	PLAT
400513819	DIRECTIONAL DATA
400517030	SURFACE AGRMT/SURETY
400517031	WAIVERS
400517032	WAIVERS

Total Attach: 10 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed. No LGD comments.	3/4/2014 8:39:44 AM
Permit	The distance to the nearest building is incorrect on the previously approved form 2A, it says 5280' but as submitted for the form 2's is it 1481' which has been verified to be correct.	2/25/2014 10:55:42 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.	12/10/2013 2:20:54 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 000 FEET DEEP (NO PERMITTED WATER WELLS WITHIN ONE MILE).	12/10/2013 2:20:15 PM
Engineer	Changed pilot hole Casing Type from "Second String" to "Open Hole."	12/10/2013 2:16:13 PM
Permit	Passed completeness.	11/22/2013 12:23:16 PM

Total: 6 comment(s)