

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: T8N-R91W Sec. 17: E/2NW, NWNW, NE, E/2, SE. Lease contains 8802.79 acres total. Distance to mineral lease line is 0' because lateral crosses multiple lease lines. 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: 0 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 628 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	TBD	2605	Sec. 17-20 All

DRILLING PROGRAM

Proposed Total Measured Depth: 21405 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 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)

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 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 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: Agent for Axia Energy LLC 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

API NUMBER

05 081 07797 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

- (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 (MESAVERT, 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

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

400388548	FORM 2 SUBMITTED
400513837	DEVIATED DRILLING PLAN
400513838	PLAT
400513839	OIL & GAS LEASE
400513840	MINERAL LEASE MAP
400513841	UNIT CONFIGURATION MAP
400513842	DIRECTIONAL DATA
400517011	SURFACE AGRMT/SURETY
400517012	WAIVERS
400517013	WAIVERS

Total Attach: 10 Files

General Comments

User Group

Comment

Comment Date

Permit	Final review completed. No LGD comments.	3/4/2014 8:37:52 AM
Permit	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.	3/4/2014 8:37:28 AM
Permit	Operator requested change of distance to nearest Above Ground Utility.	3/4/2014 8:36:13 AM
Permit	The distance to the nearest Above Ground Utility is 899 in the horizontal and 966 in the pilot, requested review and clarification.	2/27/2014 9:43:03 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 11:06:38 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 2:29:44 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 2:29:31 PM
Engineer	Changed 5-1/2" Casing Type from "1st Liner" to "Second String." Changed 4-1/2" Casing Type from "2nd Liner" to "Taper."	12/10/2013 2:28:17 PM
Permit	Passed completeness.	11/22/2013 12:29:39 PM

Total: 9 comment(s)