

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT

| | | |
|--|---|---|
| APPLICATION FOR PERMIT TO DRILL | | 1. WELL NAME and NUMBER Three Rivers Federal 34-15-720 |
| 2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/> | | 3. FIELD OR WILDCAT WILDCAT |
| 4. TYPE OF WELL Oil Well Coalbed Methane Well: NO | | 5. UNIT or COMMUNITIZATION AGREEMENT NAME |
| 6. NAME OF OPERATOR AXIA ENERGY LLC | | 7. OPERATOR PHONE 720 746-5200 |
| 8. ADDRESS OF OPERATOR 1430 Larimer Ste 400, Denver, CO, 80202 | | 9. OPERATOR E-MAIL rsatre@axiaenergy.com |
| 10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU-85992 | 11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> | |
| 13. NAME OF SURFACE OWNER (if box 12 = 'fee') John and Darla J. Busch | | 12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 1293 South Vernal Ave, Vernal, UT 84078 | | 14. SURFACE OWNER PHONE (if box 12 = 'fee') 435-823-8003 |
| 17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN') | | 16. SURFACE OWNER E-MAIL (if box 12 = 'fee') |
| 18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/> | | 19. SLANT VERTICAL <input type="checkbox"/> DIRECTIONAL <input checked="" type="checkbox"/> HORIZONTAL <input type="checkbox"/> |

| 20. LOCATION OF WELL | FOOTAGES | QTR-QTR | SECTION | TOWNSHIP | RANGE | MERIDIAN |
|---------------------------------|-----------------|---------|---------|----------|--------|----------|
| LOCATION AT SURFACE | 232 FSL 211 FWL | SWSW | 34 | 7.0 S | 20.0 E | S |
| Top of Uppermost Producing Zone | 528 FSL 460 FWL | SWSW | 34 | 7.0 S | 20.0 E | S |
| At Total Depth | 528 FSL 460 FWL | SWSW | 34 | 7.0 S | 20.0 E | S |

| | | |
|---|--|--|
| 21. COUNTY UINTAH | 22. DISTANCE TO NEAREST LEASE LINE (Feet) 211 | 23. NUMBER OF ACRES IN DRILLING UNIT 40 |
| 27. ELEVATION - GROUND LEVEL 4781 | 25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 16 | 26. PROPOSED DEPTH MD: 8924 TVD: 8897 |
| | 28. BOND NUMBER LPM9046683 | 29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 49-2262 - RNI at Green River |

Hole, Casing, and Cement Information

| String | Hole Size | Casing Size | Length | Weight | Grade & Thread | Max Mud Wt. | Cement | Sacks | Yield | Weight |
|--------|-----------|-------------|----------|--------|----------------|-------------|----------------------------|-------|-------|--------|
| Surf | 11 | 8.625 | 0 - 900 | 32.0 | J-55 LT&C | 8.7 | Premium Lite High Strength | 70 | 2.97 | 11.5 |
| | | | | | | | Class G | 115 | 1.16 | 15.8 |
| Prod | 7.875 | 5.5 | 0 - 8924 | 17.0 | N-80 LT&C | 9.2 | Premium Lite High Strength | 570 | 2.31 | 12.0 |

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

| | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE) | <input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER |
| <input checked="" type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED) | <input checked="" type="checkbox"/> TOPOGRAPHICAL MAP |

| | | |
|--|---|--------------------------------|
| NAME Don Hamilton | TITLE Permitting Agent (Buys & Associates, Inc) | PHONE 435 719-2018 |
| SIGNATURE | DATE 07/12/2012 | EMAIL starpoint@etv.net |
| API NUMBER ASSIGNED 43047529650000 | APPROVAL  Permit Manager | |

T7S, R20E, S.L.B.&M.

AXIA ENERGY

Well location, THREE RIVERS FEDERAL #34-15-720, located as shown in the SW 1/4 SW 1/4 of Section 34, T7S, R20E, S.L.B.&M., Uintah County, Utah.

Re-Established Corner by Double Proportion Method (Not Set on Ground)

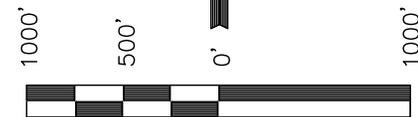
BASIS OF ELEVATION

BENCH MARK (38EAM) LOCATED IN THE SW 1/4 OF SECTION 9, T7S, R20E, S.L.B.&M. TAKEN FROM THE PELICAN LAKE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4942 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

| LINE TABLE | | |
|------------|-------------|----------|
| LINE | DIRECTION | LENGTH |
| L1 | N00°35'17"W | 2707.72' |
| L2 | S86°20'19"E | 2754.84' |
| L3 | N39°37'09"E | 384.94' |



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

ROBERT L. KAY
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH
 04-26-12

REV. 04-26-12

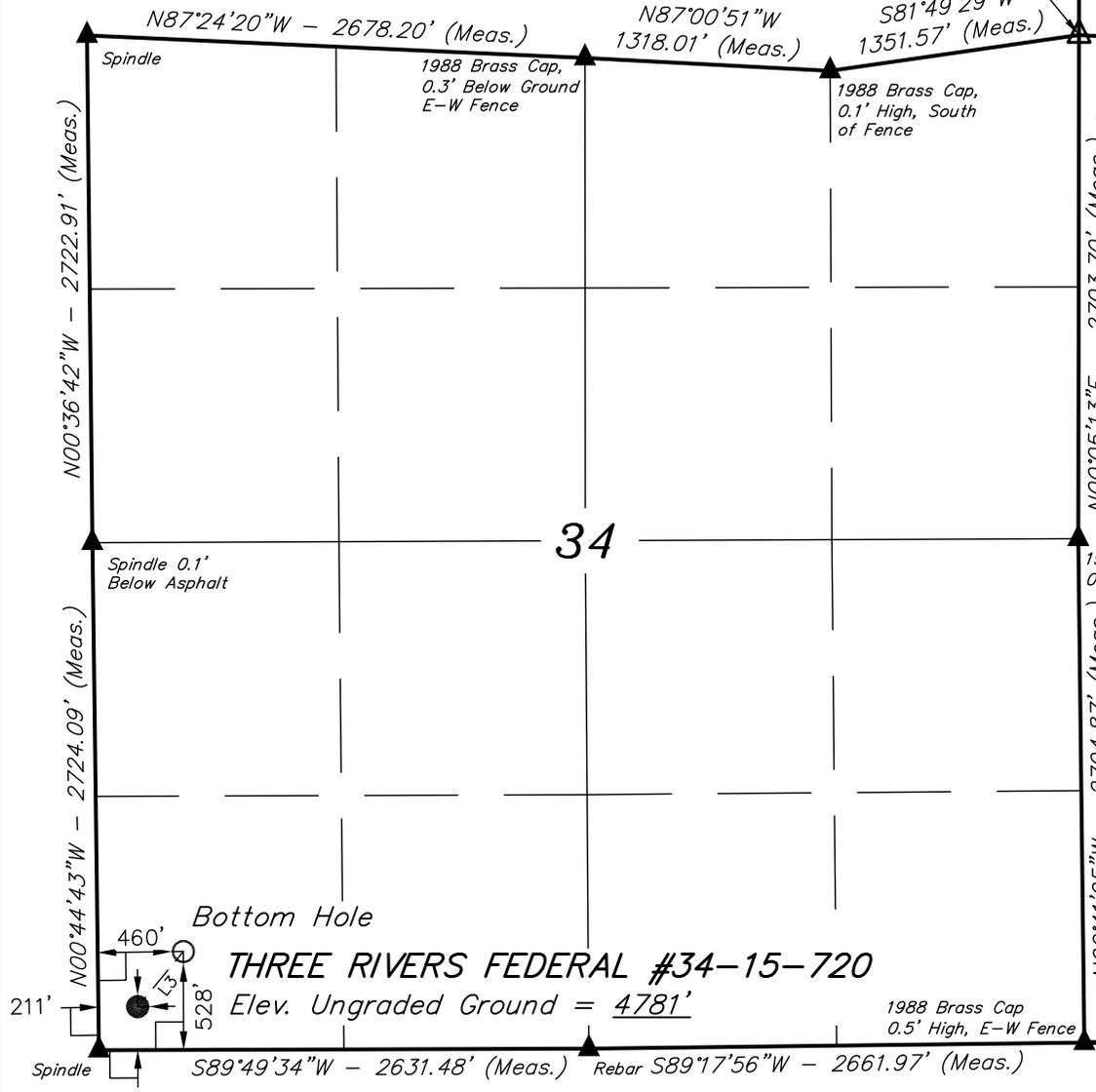
UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

| | | |
|---------------------|----------------------------|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 04-06-12 | DATE DRAWN: 04-10-12 |
| PARTY | REFERENCES G.L.O. PLAT | |
| WEATHER WARM | FILE AXIA ENERGY | |

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED. (Not Set on Gnd.)

| | |
|--|--|
| NAD 83 (TARGET BOTTOM HOLE) | NAD 83 (SURFACE LOCATION) |
| LATITUDE = 40°09'37.81" (40.160503) | LATITUDE = 40°09'34.88" (40.159689) |
| LONGITUDE = 109°39'45.62" (109.662672) | LONGITUDE = 109°39'48.78" (109.663550) |
| NAD 27 (TARGET BOTTOM HOLE) | NAD 27 (SURFACE LOCATION) |
| LATITUDE = 40°09'37.94" (40.160539) | LATITUDE = 40°09'35.01" (40.159725) |
| LONGITUDE = 109°39'43.12" (109.661978) | LONGITUDE = 109°39'46.28" (109.662856) |



211'
 232'
 460'
 528'
 Spindle
 Bottom Hole
THREE RIVERS FEDERAL #34-15-720
 Elev. Ungraded Ground = 4781'
 1988 Brass Cap
 0.5' High, E-W Fence

T7S
 T8S