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Document Number:
400216332

PluggingBond SuretyID
20110057

APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL
 OIL GAS COALBED OTHER _____
 SINGLE ZONE MULTIPLE COMMINGLE

Refiling
 Sidetrack

3. Name of Operator: OVERLAND RESOURCES LLC 4. COGCC Operator Number: 19035
 5. Address: 1376 S PERRY PARK RD
 City: SEDALIA State: CO Zip: 80135
 6. Contact Name: Kallasandra Moran Phone: (303)928-7128 Fax: (303)962-6237
 Email: kmoran@petro-fs.com
 7. Well Name: Bradbury Well Number: 11-35
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 7500

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 35 Twp: 4S Rng: 62W Meridian: 6
 Latitude: 39.657737 Longitude: -104.287142
 Footage at Surface: 2179 feet FNL/FSL 660 feet FEL/FWL FEL
 11. Field Name: Peace Pipe Field Number: 67900
 12. Ground Elevation: 5555 13. County: ARAPAHOE

14. GPS Data:
 Date of Measurement: 10/05/2011 PDOP Reading: 2.0 Instrument Operator's Name: Chris Boub / PFS

15. 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 _____
 Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

16. Is location in a high density area? (Rule 603b)? Yes No
 17. Distance to the nearest building, public road, above ground utility or railroad: 5280 ft
 18. Distance to nearest property line: 660 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1538 ft

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.)
D Sand	DSND		160	SE/4
J SAND	JSND	259-3	160	SE/4

21. Mineral Ownership: Fee State Federal Indian Lease #: _____
 22. Surface Ownership: Fee State Federal Indian
 23. 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 No
 23b. 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):
 W1/2NW1/4, SE1/2NW1/4, S1/2, Sec. 35, T4S-R62W

25. Distance to Nearest Mineral Lease Line: 457 ft 26. Total Acres in Lease: 440

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
SURF	12+1/4	8+5/8	24	0	1,340	375	1,340	0
1ST	7+7/8	4+1/2	11.6	0	7,500	350	7,500	1,400

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

33. Comments The location does NOT require a variance from any of the rules listed in Rule 306.d. (1). (A). (ii). The location is NOT in a restricted surface occupancy area. The location is NOT a sensitive wildlife habitat area. No conductor casing will be set.

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: Kallasandra M. Moran

Title: Regulatory Manager Date: 10/19/2011 Email: kmoran@petro-fs.com

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: *David S. Nesline* Director of COGCC Date: 11/22/2011

API NUMBER
05 005 07176 00

Permit Number: _____ Expiration Date: 11/21/2013

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.

- 1) Note surface casing setting depth change from 750' to 1340'. Increase cement coverage accordingly and cement to surface.
- 2) Provide 24 hour notice of MIRU to Jim Precup at 303-469-1902 or e-mail at james.precup@state.co.us
- 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.

Attachment Check List

Att Doc Num	Name
2508591	SURFACE CASING CHECK
2531343	EXCEPTION LOC REQUEST
400216332	FORM 2 SUBMITTED
400216333	PLAT
400216334	TOPO MAP
400216335	30 DAY NOTICE LETTER
400216422	SURFACE AGRMT/SURETY

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Agency	The operator is requesting an exception under rule 318.c to allow additional J sand completions above the one well per 160 allowed by Cause 259. These additional wells are necessary to fully deplete the different J Sand reservoirs in this quarter section. The operator is also requesting that the well be authorized for completion in the D Sand reservoir and the J Sand even though the completion is 900 feet from another well to be drilled and completed in the same formation(s).	11/22/2011 10:48:46 AM
Permit	No LGD or public comment received; final review completed.	11/18/2011 9:17:06 AM
Permit	Operator has amended their request and may request an exception for the J sand also	10/24/2011 9:01:23 AM
Permit	Operator removed the J sand objective. An exception location request to allow wells less than 1200 feet apart for the D sand is being drafted.	10/21/2011 11:25:45 AM
Permit	On hold- Setbacks for the well violate rule 259-3 for the "J" sand.	10/20/2011 3:26:08 PM
Permit	Returned to draft at operators request.	10/19/2011 2:50:48 PM

Total: 6 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Construction	<p>Remove only the minimum amount of vegetation necessary for the construction of roads and facilities.</p> <p>Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation.</p> <p>No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.</p>
Site Specific	<p>Fence the well site after drilling to restrict public and wildlife access.</p> <p>Keep well site location, the road, and the pipeline easement free of noxious weeds, litter and debris.</p> <p>Spray for noxious weeds, and implement dust control, as needed.</p> <p>Overland Resources will not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's Land.</p> <p>Construct and maintain gates where any roads used by Overland Resources cross through fences on the leased premises.</p>
Storm Water/Erosion Control	<p>Use water bars, and other measures to prevent erosion and non-source pollution.</p> <p>Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation.</p> <p>Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).</p>
Final Reclamation	<p>All surface restoration shall be accomplished to the satisfaction of Owner.</p> <p>All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.</p> <p>Final reclamation shall be completed to the reasonable satisfaction of the Owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC).</p>
Planning	<p>When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.</p>
Interim Reclamation	<p>Utilize only such area around each producing well as is reasonably necessary.</p> <p>Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations.</p> <p>All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.</p>

Total: 6 comment(s)