

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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| DE | ET | OE | ES |
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Document Number:

400249080

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: Gregory Pandolfo Phone: (303)800-6175 Fax: (303)385-0690

Email: greg@overlandresourcesllc.com

7. Well Name: Handke Well Number: 4

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 8134

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 10 Twp: 3S Rng: 64W Meridian: 6

Latitude: 39.802230 Longitude: -104.534170

Footage at Surface: 1983 feet FNL/FSL 1984 feet FEL/FWL FEL

11. Field Name: Sonar Field Number: 77635

12. Ground Elevation: 5444.55 13. County: ADAMS

14. GPS Data:

Date of Measurement: 01/24/2011 PDOP Reading: 2.5 Instrument Operator's Name: Keith Westfall

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

Footage at Top of Prod Zone: FNL/FSL 1983 FSL 1984 FEL 1286 FSL 1723 FEL
Sec: 10 Twp: 3S Rng: 64W Sec: 10 Twp: 3S Rng: 64W

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: 1723 ft

18. Distance to nearest property line: 1723 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1349

20. 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 | | 40 | |
| J-Sand | JSND | | 40 | |

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#: 20120010

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):

SWSE 10 3S 64W 6PM

25. Distance to Nearest Mineral Lease Line: 641 ft

26. Total Acres in Lease: 160

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 | 212 | 150 | 212 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 0 | 8,134 | 200 | 8,134 | 7,800 |

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: Gregory Pandolfo

Title: Manager Date: 2/9/2012 Email: greg@overlandresourcesllc.

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: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

| Att Doc Num | Name |
|-------------|-----------------------|
| 400249080 | FORM 2 SUBMITTED |
| 400249104 | LOCATION DRAWING |
| 400249169 | DIRECTIONAL DATA |
| 400250495 | EXCEPTION LOC REQUEST |
| 400251880 | DIRECTIONAL DATA |

Total Attach: 5 Files

General Comments

| User Group | Comment | Comment Date |
|------------|---------|--------------|
| | | |

Total: 0 comment(s)

BMP

| Type | Comment |
|--------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Drilling/Completion Operations | Endeavor to comply with oil and gas industry BMPs in addition to applicable state, county and federal regulations. |

Total: 1 comment(s)