

FORM
2

Rev
12/05

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:

400315072

Date Received:

08/14/2012

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)725-2379 Fax: (720)204-4078

Email: greg@overlandresourcesllc.com

7. Well Name: Dune Ridge State Well Number: 32-2

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

9. Proposed Total Measured Depth: 4600

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 32 Twp: 7N Rng: 52W Meridian: 6

Latitude: 40.535800 Longitude: -103.201850

Footage at Surface: 665 feet FNL 563 feet FEL

11. Field Name: Dune Ridge Field Number: 19000

12. Ground Elevation: 4125 13. County: LOGAN

14. GPS Data:

Date of Measurement: 08/08/2012 PDOP Reading: 1.9 Instrument Operator's Name: Wyatt Hall

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: 2600 ft

18. Distance to nearest property line: 563 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1300 ft

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	54-6	40	NENE

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: 9254.7

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):

State Lease #9254.7 640 acres more or less, Section 32, Township 7N, Range 52W, 6PM

25. Distance to Nearest Mineral Lease Line: 563 ft

26. Total Acres in Lease: 640

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	125	110	125	0
1ST	7+7/8	4+1/2	11.6	0	4,600	150	4,600	4,500

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

33. Comments Location is in the center of the section based on the collected monuments. No conductor casing will be used.

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: 8/14/2012 Email: greg@overlandresourcesllc.co

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: Matthew Lee Director of COGCC Date: 10/26/2012

API NUMBER

05 075 09415 00

Permit Number: _____ Expiration Date: 10/25/2014

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) Provide 48 hr notice prior to spud via electronic Form 42.
- 2) Set at least 630' of surface casing. Cement to surface.
- 3) If completed, provide cement coverage from TD to a minimum of 200' above D-Sand. Verify coverage with cement bond log.
- 4) If dry hole, set 40 sks cement at top of J-Sand, set 40 sks cement at top of D-Sand, 50 sks cement ½ out, ½ in surface casing, 15 sks cement top of surface casing, cut 4' below GL, weld on plate, 5 sks cement in rat hole & 5 sks cement in mouse hole.

Attachment Check List

Att Doc Num	Name
400315072	FORM 2 SUBMITTED
400315719	WELL LOCATION PLAT

Total Attach: 2 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	10/22/2012 12:37:44 PM
Permit	Per operator input spacing order and corrected total depth on casing and wellbore.	10/22/2012 12:37:42 PM
Permit	State landboard ok with proposed well.	10/22/2012 10:39:00 AM
Permit	Operator has decided not to complete J Sand formation changed zone type to single. Requested information about possible changes to TD or casing.	10/22/2012 7:18:55 AM
Permit	Left operator a voicemail requesting information on Overlands plan to make well legal.	10/11/2012 8:19:18 AM
Permit	Requested information on what operator planned to do to make mineral setbacks legal.	10/3/2012 7:39:23 AM
Permit	Requested information on what operator planned to do to make mineral setbacks legal.	9/25/2012 3:13:27 PM
Permit	Requested information on what operator planned to do to make mineral setbacks legal.	9/10/2012 7:04:52 AM
Permit	Notified state land board. Input information on conductor casing from operator. Corrected typo on surface bond and QtrQtr. Need to verify setbacks from east boundary.	8/23/2012 8:24:14 AM

Total: 9 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)