

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:

400337809

Date Received:

11/12/2012

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: State Hone Well Number: 16-1

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

9. Proposed Total Measured Depth: 5100

WELL LOCATION INFORMATION

10. QtrQtr: SWNW Sec: 16 Twp: 2S Rng: 55W Meridian: 6

Latitude: 39.878810 Longitude: -103.552750

Footage at Surface: 2600 feet FNL/FSL 600 feet FEL/FWL
FNL FWL

11. Field Name: Hone Field Number: 36950

12. Ground Elevation: 4679 13. County: WASHINGTON

14. GPS Data:

Date of Measurement: 11/02/2012 PDOP Reading: 1.2 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: 596 ft

18. Distance to nearest property line: 600 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 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			
J SAND	JSND			

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: 9509.7

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):

Section 16 (All), Township 2 South, Range 55 West, 6PM

25. Distance to Nearest Mineral Lease Line: 600 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	280	250	280	0
1ST	7+7/8	5+1/2	15.5	0	5,100	150	5,100	4,800

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

33. Comments 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: 11/12/2012 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: 12/16/2012

API NUMBER

05 121 11019 00

Permit Number: _____ Expiration Date: 12/15/2014

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 280' of surface casing. Cement to surface. Increased surface casing due to WW w/in 1 mile deeper than proposed (Permit #38000, 129', NENE 21-2S-55W).
- 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.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2544346	SURFACE CASING CHECK
400337809	FORM 2 SUBMITTED
400345325	WELL LOCATION PLAT

Total Attach: 3 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed.	12/13/2012 5:23:49 AM
Permit	Received verbal approved via phone from Tim Kelly for proper bonding.	12/3/2012 1:37:38 PM
Permit	Contacted State Land Board, Tim Kelley will be out of office until 11/19/12	11/14/2012 7:55:01 AM
Permit	This form passed completeness.	11/12/2012 2:52:16 PM

Total: 4 comment(s)

BMP

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

Total: 0 comment(s)