

FORM
2
Rev
08/13

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:
400612127

APPLICATION FOR PERMIT TO:

Drill Deepen Re-enter **Recomplete and Operate**

Date Received:
06/05/2014

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

Refiling
Sidetrack

Well Name: Schmidt Well Number: 3
Name of Operator: OVERLAND RESOURCES LLC COGCC Operator Number: 19035
Address: 5600 S QUEBEC ST #110-A
City: GREENWOOD VILLAGE State: CO Zip: 80111
Contact Name: Robert Anderson Phone: (303)800-6175 Fax: (720)204-4078
Email: admin@overlandresourcesllc.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20110057

WELL LOCATION INFORMATION

QtrQtr: NENW Sec: 8 Twp: 5S Rng: 62W Meridian: 6
Latitude: 39.635240 Longitude: -104.353340

Footage at Surface: 600 feet FNL/FSL FNL 1960 feet FEL/FWL FWL

Field Name: DRAGOON Field Number: 18850

Ground Elevation: 5586 County: ARAPAHOE

GPS Data:
Date of Measurement: 09/24/2010 PDOP Reading: 6.0 Instrument Operator's Name: Robert Anderson

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: _____

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: Fee State Federal Indian

The Surface Owner is:
(check all that apply) is the mineral owner beneath the location.
 is committed to an Oil and Gas Lease.
 has signed the Oil and Gas Lease.
 is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: Fee State Federal Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: Yes

The right to construct the Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

Entire Lease: N1/2 N1/2 Section 8 T5S-R62W 6pm
Existing Schmidt #3 well location: NE4-NW4 Section 8 T5S-R62W 6pm

Total Acres in Described Lease: 160 Described Mineral Lease is: Fee State Federal Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 600 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 1680 Feet
Building Unit: 1680 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 600 Feet
Above Ground Utility: 700 Feet
Railroad: 5280 Feet
Property Line: 600 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: Buffer Zone
 Exception Zone
 Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 1840 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 600 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

DSND location has 80 acre spacing. Orders 253-2 and 253-3 are applicable.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
D SAND	DSND	253-2	80	N/2N/2

DRILLING PROGRAM

Proposed Total Measured Depth: 7579 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 150 Feet (Including plugged wells)

Will a closed-loop drilling system be used? No

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? No
 Will salt based (>15,000 ppm Cl) drilling fluids be used? No
 Will oil based drilling fluids be used? No
 BOP Equipment Type: Annular Preventor Double Ram Rotating Head None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: _____ Drilling Fluids Disposal Methods: _____
 Cuttings Disposal: _____ Cuttings Disposal Method: _____
 Other Disposal Description:

Any possible "flow-back" from the new perforation process will be directed to "frac tanks" and commercially disposed of.

Beneficial reuse or land application plan submitted? _____
 Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	10+3/4	8+5/8	24#	0	206	200		0
1ST	7+7/8	4+1/2	11.6#	0	7472	200		0

Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- Rule 318A.a. Exception Location (GWA Windows).
- Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

OTHER LOCATION EXCEPTIONS

Check all that apply:

- Rule 318.c. Exception Location from Rule or Spacing Order Number _____
- Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments Requesting approval to perforate Schmitd #3 in the DSND. Adjacent "PA" well Schmitd 3-A was approved as a DSND well. Schmitd 3-A was located 150' SE of Schmitd #3. Lease has 80 acre spacing. Orders 253-2 and 253-3 are applicable. Original Completion Record Attached.

This application is in a Comprehensive Drilling Plan _____ CDP #: _____

Location ID: 320684

Is this application being submitted with an Oil and Gas Location Assessment application? No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: Robert Anderson

Title: Operations Date: 6/5/2014 Email: admin@overlandresourcesllc.c

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: 7/6/2014

Expiration Date: 07/05/2016

API NUMBER
05 005 06545 00

Conditions Of Approval

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.

<u>COA Type</u>	<u>Description</u>
	Prior to recomplete, operator must: 1) Verify existing cement with a cement bond log. 2) If it is not present as follows, provide remedial cement 200' above Niobrara (minimum cement top of 6525') and 1400' (DV tool) 50' into the surface casing shoe. Verify remedial cement coverage with cement bond log. 3) Well should be pressure tested to 500# after RBP is placed - contact COGCC if test fails. Test should be documented in Form 5 Drilling Completion Report.

Best Management Practices

<u>No BMP/COA Type</u>	<u>Description</u>
1 Drilling/Completion Operations	As this is an existing/functioning well, operator will continue to perform location and access road maintenance activities. These activities include site and rut grading and surface materials replacement as needed. Other activities include drainage management, mowing, weed control and general site cleaning.

Total: 1 comment(s)

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

Att Doc Num	Name
2157724	OTHER
400612127	FORM 2 SUBMITTED
400621158	OTHER
400621496	WELLBORE DIAGRAM

Total Attach: 4 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review--passed.	7/6/2014 4:59:01 PM
Agency	SB5 - BFxHills - 1399' - DV at 1400' - coverage to be verified	7/3/2014 12:05:56 PM
Permit	Per oper. corrected well name & #, dist. to nearest producing well. Corrected TD. Oper. submitted procedure.	6/9/2014 10:34:08 AM
Permit	Passed completeness. Selected water well sampling rule as 609.	3/6/2014 3:10:05 PM

Total: 4 comment(s)