

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:

400542248

## APPLICATION FOR PERMIT TO:

☒ Drill
 ☐ Deepen
 ☐ Re-enter
 ☐ Recomplete and Operate

Date Received:

02/11/2014

TYPE OF WELL OIL ☒ GAS ☐ COALBED ☐ OTHER \_\_\_\_\_Refilling ☐ZONE TYPE SINGLE ZONE ☐ MULTIPLE ZONES ☒ COMMINGLE ZONES ☒Sidetrack ☐

Well Name: Dune Ridge State

Well Number: 32-3

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: NESE Sec: 32 Twp: 7N Rng: 52W Meridian: 6

Latitude: 40.529420

Longitude: -103.202880

Footage at Surface: 2310 feet FNL/FSL FSL 990 feet FEL/FWL FEL

Field Name: DUNE RIDGE

Field Number: 19000

Ground Elevation: 4121

County: LOGAN

GPS Data:

Date of Measurement: 12/16/2013 PDOP Reading: 2.2 Instrument Operator's Name: Elijah Frane

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 &amp; MINERALS &amp; RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ IndianThe Surface Owner is: ☐ is the mineral owner beneath the location.

(check all that apply)

☐ 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: Bond

Surface damage assurance if no agreement is in place: Blanket

Surface Surety ID: 20110010

## 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.)

Section 32, T7N, R52W 6PM 640 ACRES +/-

Total Acres in Described Lease: 640 Described Mineral Lease is: ☐ Fee ☒ State ☐ Federal ☐ Indian

Federal or State Lease # 9254.7

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 990 Feet

## CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 5280 Feet

Building Unit: 5280 Feet

High Occupancy Building Unit: 5280 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 5280 Feet

Above Ground Utility: 1380 Feet

Railroad: 5280 Feet

Property Line: 990 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: 1038 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 310 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): \_\_\_\_\_ Unit Number: \_\_\_\_\_

## SPACING & FORMATIONS COMMENTS

## 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	54-1	40	S.32:NESE
J SAND	JSND			

## DRILLING PROGRAM

Proposed Total Measured Depth: 4800 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 995 Feet (Including plugged wells)

Will a closed-loop drilling system be used? No

Is H<sub>2</sub>S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H<sub>2</sub>S 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: OFFSITE Drilling Fluids Disposal Methods: Commercial Disposal

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

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	12+1/4	8+5/8	24	0	630	200	630	0
1ST	7+7/8	4+1/2	11.6	0	4800	150	4800	4500

☒ 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 318.a/Order 54
- ☐ 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

This application is in a Comprehensive Drilling Plan \_\_\_\_\_ CDP #: \_\_\_\_\_

Location ID: \_\_\_\_\_

Is this application being submitted with an Oil and Gas Location Assessment application? \_\_\_\_\_ Yes

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 Manager Date: 2/11/2014 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:  Director of COGCC Date: 3/9/2014

Expiration Date: 03/08/2016

**API NUMBER**

05 075 09424 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.

**COA Type****Description**

	1) Provide 48 hr notice prior to spud via electronic Form 42. 2) If completed, provide cement coverage from TD to a minimum of 200' above D-Sand. Verify coverage with cement bond log. 3) 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.
	Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage.

**Best Management Practices****No BMP/COA Type****Description**

1	Community Outreach and Notification	Fee surface owner has been notified of plans and offered consultation. No response. State Mineral Ownership contacts have been notified of all plans.
2	Storm Water/Erosion Control	Location and road plans are authorized under CDPHE Master Discharge Plan COR03J889 which covers Oil and Gas Activities and associated construction and discharge specifications for this lease.

Total: 2 comment(s)

**Applicable Policies and Notices to Operators**

Notice Concerning Operating Requirements for Wildlife Protection.

## Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2157544	EXCEPTION LOCATION REQUEST
400542248	FORM 2 SUBMITTED
400550762	WELL LOCATION PLAT

Total Attach: 3 Files

## General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Deleted check for box SO is committed to lease. Lease is State minerals. State Land Board approved location per TK. Added related APD. Corrected surface bond surety ID#. Oper. submitted revised Exception request letter to address surface location exception to Rule 54-1. Oper. corrected dist. to nearest well penetrating obj. fms. Oper. corrected dist. to unit boundary. Added unit configuration. Corrected drilling fluids disposal method to agree with 2A. No LGD or public comments. Final Review--passed.	3/4/2014 10:23:03 AM
Permit	Passed completeness.	2/11/2014 3:14:57 PM
Permit	Returned to draft: Water well sampling Rule should be 609 in Drilling & Waste Plans tab.	2/11/2014 2:28:33 PM

Total: 3 comment(s)