

APPLICATION FOR PERMIT TO:

Drill

 Deepen

 Re-enter

 Recomplete and Operate

Date Received:
02/11/2014

TYPE OF WELL OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____	Refiling <input type="checkbox"/>
ZONE TYPE SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONES <input checked="" type="checkbox"/> COMMINGLE ZONES <input checked="" type="checkbox"/>	Sidetrack <input type="checkbox"/>

Well Name: <u>Dune Ridge State</u>	Well Number: <u>32-3</u>
Name of Operator: <u>OVERLAND RESOURCES LLC</u>	COGCC Operator Number: <u>19035</u>
Address: <u>5600 S QUEBEC ST #110-A</u>	
City: <u>GREENWOOD VILLAGE</u>	State: <u>CO</u> Zip: <u>80111</u>
Contact Name: <u>Robert Anderson</u>	Phone: <u>(303)800-6175</u> Fax: <u>(720)204-4078</u>
Email: <u>admin@overlandresourcesllc.com</u>	

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 & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: Fee State Federal Indian

The 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 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: 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

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 AndersonTitle: Operations Manager Date: 2/11/2014 Email: admin@overlandresourcesllc

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: 3/9/2014Expiration 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 1/2 out, 1/2 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)