

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400248930

Date Received:

02/09/2012

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)800-6175 Fax: (303)385-0690

Email: greg@overlandresourcesllc.com

7. Well Name: Handke Well Number: 3

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

9. Proposed Total Measured Depth: 8100

WELL LOCATION INFORMATION

10. QtrQtr: SESE Sec: 10 Twp: 3S Rng: 64W Meridian: 6

Latitude: 39.798470 Longitude: -104.529340

Footage at Surface: 638 feet FNL/FSL 634 feet FEL/FWL FEL

11. Field Name: Sonar Field Number: 77635

12. Ground Elevation: 5452.25 13. County: ADAMS

14. GPS Data:

Date of Measurement: 01/19/2012 PDOP Reading: 2.5 Instrument Operator's Name: Keith Westfall

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: 630 ft

18. Distance to nearest property line: 630 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1349 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		40	SESE
J-Sand	JSND		40	SESE

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#: 2012001023a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☐ Yes ☒ No23b. 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):

SE 1/4 Section 10 3S/64W 6PM

25. Distance to Nearest Mineral Lease Line: 634 ft

26. Total Acres in Lease: 160

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	1,760	150	1,760	0
1ST	7+7/8	4+1/2	11.6	0	8,100	200	8,100	7,800

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

33. Comments The location does NOT require a variance from any of the rules listed in Rule 306.d. (1). (A). (ii). The location is NOT in a restricted surface occupancy area. The location is NOT a sensitive wildlife habitat area. 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: 2/9/2012 Email: greg@overlandresourcesllc.co

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: 3/30/2012

API NUMBER

05 001 09744 00

Permit Number: _____ Expiration Date: 3/29/2014

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) Note surface casing setting depth change from 212' to 1760'. Increase cement coverage accordingly.
- 2) Provide 24 hour notice of MIRU to COGCC inspector Mike Hickey via e-mail at Mike.Hickey@state.co.us. Indicate Spud Notice in the subject line and provide the following information: Operator Name, Well Name and Number, API #, Spud Date, Contact Name, Contact Phone #, E-mail Address. If well spud after April 1, 2012 submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.

Attachment Check List

Att Doc Num	Name
400248930	FORM 2 SUBMITTED
400248977	PLAT

Total Attach: 2 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	LGD comment received; final review completed.	3/29/2012 9:33:28 AM
LGD	<p>The City of Aurora would like to begin discussion with the COGCC and the operators on how best to harmonize drilling operations with land use planning. With that in mind we offer the following comments:</p> <ul style="list-style-type: none"> - Require a Road Management Plan including haul route map and access from COA roads. A traffic impact report may be required based on the routes. - Require an Emergency Response Plan with coordination between the Bennett Fire Protection District and the COA Fire Department. - Recommend (not require) that Best Management Practices be utilized including Closed Loop Systems and Base Water Quality Planning 	3/5/2012 1:19:01 PM
Permit	Operator corrected surface and minerals information. This form has passed completeness.	2/14/2012 1:09:11 PM
Permit	Returned to draft. Invalid surface and minerals information.	2/10/2012 9:07:50 AM

Total: 4 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Drilling/Completion Operations	Endeavor to comply with oil and gas industry BMPs in addition to applicable state, county and federal regulations.

Total: 1 comment(s)