

Overland Resources LLC
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January 18, 2014

Director Lepore
Colorado Oil and Gas Conservation Commission
1120 Lincoln St, Suite 801
Denver, CO 80203
NENE 32 7N 52W 6

RE: Exception Location request under Rule 318.c
Township 7 North, Range 52 West, 6th P.M.
Section 32
Logan County, Colorado
Proposed wells: Dune Ridge State 32-3 NESE 32 7N 52W 2310 FSL 990 FEL

Director Lepore,

Overland Resources LLC is filing a Form 2 Application for Permit to Drill (APD) the above listed one (1) well in the in the NESE Quarter of Section 32, Township 7 North, Range 52 West in Logan County.

The geological structure indicated by the currently producing Dune Ridge State 32-1 in section 32 and the subsurface mapping information from previous wells in the section indicate a remaining productive part of the objective D Sand formation in the NESE of Section 32. The stratigraphy in the NESE of Section 32 indicates the efficient and economic draining of the reservoirs at 2310 FSL and 990 FEL and we chose these locations to get the most out of these reservoirs. While the J sand is largely untested in this area, we believe the spacing allows us to best explore the D sand stratigraphy.

Overland Resources respectfully request the Director to grant an exception to rule 318.a to allow D and J Sand completions to be less than 1200 feet apart, and an exception to cause 54-1 to allow the permitted well outside the one hundred foot (100 ft.) tolerance around the center of the quarter-quarter section.

High Plains Energy, LLC is the operator of the Dune Ridge State 32-1 well 1038' from this proposed location. Overland Resources LLC is doing the permitting and High Plains Energy LLC plans to be operator, therefore, no waiver from offset operator is required.

Overland Resources LLC will attach this exception waiver to the APD for the well. Please let me know if you have any questions or require additional information to be included with the permit application.

Thank You,


Gregory Pandolfo
Manager - Overland Resources LLC