


<b>FORM</b> <b>2</b> Rev 12/05	<b>State of Colorado</b> <b>Oil and Gas Conservation Commission</b> 1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">DE</td> <td style="width: 25%;">ET</td> <td style="width: 25%;">OE</td> <td style="width: 25%;">ES</td> </tr> </table>	DE	ET	OE	ES
DE	ET	OE	ES				
<b>APPLICATION FOR PERMIT TO:</b>			Document Number:  400172325  Plugging Bond Surety  20090043				
1. <input checked="" type="checkbox"/> <b>Drill,</b> <input type="checkbox"/> Deepen, <input type="checkbox"/> Re-enter, <input type="checkbox"/> Recomplete and Operate							
2. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> COMMINGLE ZONE <input type="checkbox"/>		Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>					
3. Name of Operator: <u>SYNERGY RESOURCES CORPORATION</u>		4. COGCC Operator Number: <u>10311</u>					
5. Address: <u>20203 HIGHWAY 60</u> City: <u>PLATTEVILLE</u> State: <u>CO</u> Zip: <u>80651</u>							
6. Contact Name: <u>Rhonda Sandquist</u> Phone: <u>(970)737-1073</u> Fax: <u>(970)737-1045</u> Email: <u>rsandquist@syrginfo.com</u>							
7. Well Name: <u>Margil</u>		Well Number: <u>34KD</u>					
8. Unit Name (if appl): _____		Unit Number: _____					
9. Proposed Total Measured Depth: <u>7973</u>							
<b>WELL LOCATION INFORMATION</b>							
10. QtrQtr: <u>SWNW</u> Sec: <u>34</u> Twp: <u>4N</u> Rng: <u>68W</u> Meridian: <u>6</u> Latitude: <u>40.273349</u> Longitude: <u>-104.994210</u>							
Footage at Surface: <u>1359</u> feet      FNL/FSL <u>FNL</u> <u>1247</u> feet      FEL/FWL <u>FWL</u>							
11. Field Name: <u>Wattenberg</u>		Field Number: <u>90750</u>					
12. Ground Elevation: <u>5106</u>		13. County: <u>WELD</u>					
14. GPS Data: Date of Measurement: <u>04/21/2011</u> PDOP Reading: <u>0.6</u> Instrument Operator's Name: <u>Joseph W. Stice III</u>							
15. If well is <input checked="" type="checkbox"/> Directional <input type="checkbox"/> Horizontal (highly deviated) <b>submit deviated drilling plan.</b> Footage at Top of Prod Zone:      FNL/FSL      FEL/FWL      Bottom Hole:      FNL/FSL      FEL/FWL <u>1359</u> <u>FNL</u> <u>1247</u> <u>FWL</u> <u>2569</u> <u>FNL</u> <u>1322</u> <u>FWL</u> Sec: <u>34</u> Twp: <u>4N</u> Rng: <u>68W</u> Sec: <u>34</u> Twp: <u>4N</u> Rng: <u>68W</u>							
16. Is location in a high density area? (Rule 603b)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
17. Distance to the nearest building, public road, above ground utility or railroad: <u>1221 ft</u>							
18. Distance to nearest property line: <u>1247 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>960 ft</u>							
<b>20. LEASE, SPACING AND POOLING INFORMATION</b>							
Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)			
J-Sand	JSND	232-23	160	GWA			
Niobrara/Codell	NB-CD	407-87	160	GWA			

**IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.**

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: \_\_\_\_\_

22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

23. Is the Surface Owner also the Mineral Owner? ☒ Yes ☐ No Surface Surety ID#: \_\_\_\_\_

23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☒ Yes ☐ No

23b. 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): \_\_\_\_\_

25. Distance to Nearest Mineral Lease Line: 1322 ft 26. Total Acres in Lease: 640

**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	650	400	650	0
1ST	7+7/8	4+1/2	10.5	0	7,973	525	7,973	200

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

33. Comments No conductive surface casing will be used. PROPOSED SPACING UNIT IS S/2NW & N/2SW.

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: Craig Rasmuson

Title: Mgr of Land & Field Ops Date: 6/7/2011 Email: crasmuson@syrinfo.com

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: David S. Neslin Director of COGCC Date: 6/30/2011

**API NUMBER**

05 123 33834 00

Permit Number: \_\_\_\_\_ Expiration Date: 6/29/2013

**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) Provide 24 hour notice of MIRU to Bo Brown at e-mail bo.brown@state.co.us.
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

### **Attachment Check List**

Att Doc Num	Name
1694143	PROPOSED SPACING UNIT
1694144	PROPOSED SPACING UNIT
1771319	SURFACE CASING CHECK
400172325	FORM 2 SUBMITTED
400172412	MULTI-WELL PLAN
400172414	OTHER
400172416	DEVIATED DRILLING PLAN
400172417	HYDROLOGY MAP
400172418	LOCATION DRAWING
400172419	LOCATION PICTURES
400172420	WELL LOCATION PLAT
400172441	ACCESS ROAD MAP
400173117	OIL & GAS LEASE

Total Attach: 13 Files

### **General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Permit	Received and attached the proposed spacing unit and 20 day cert letter, changed spacing unit to 160 acres & config as GWA. The proposed spacing unit is S/2NW & N/2SW.	6/20/2011 9:20:45 AM
Permit	Requesting: proposed spacing unit and 20 day cert letter and changes to spacing unit.	6/16/2011 11:32:13 AM
Permit	Permission from Opr-Rhonda to add the plugging bond and remove the location ID. Back to draft for the oil & gas lease to be reattached - it won't open. sf	6/8/2011 11:39:35 AM

Total: 3 comment(s)

### **BMP**

<b><u>Type</u></b>	<b><u>Comment</u></b>

Total: 0 comment(s)