

<b>FORM</b> <b>2</b> Rev 12/05	State of Colorado <b>Oil and Gas Conservation Commission</b> 1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109		DE ET OE ES
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**APPLICATION FOR PERMIT TO:**

1.  **Drill,**       Deepen,       Re-enter,       Recomplete and Operate

2. TYPE OF WELL

OIL       GAS       COALBED       OTHER \_\_\_\_\_

SINGLE ZONE       MULTIPLE ZONE       COMMINGLE ZONE

Refiling   
 Sidetrack

Document Number:  
 400172325

Plugging Bond Surety  
 20090043

3. Name of Operator: SYNERGY RESOURCES CORPORATION      4. COGCC Operator Number: 10311

5. Address: 20203 HIGHWAY 60  
 City: PLATTEVILLE      State: CO      Zip: 80651

6. Contact Name: Rhonda Sandquist      Phone: (970)737-1073      Fax: (970)737-1045  
 Email: rsandquist@syrginfo.com

7. Well Name: Margil      Well Number: 34KD

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

9. Proposed Total Measured Depth: 7973

**WELL LOCATION INFORMATION**

10. QtrQtr: SWNW    Sec: 34    Twp: 4N    Rng: 68W    Meridian: 6  
 Latitude: 40.273349      Longitude: -104.994210

Footage at Surface:      1359 feet      FNL      1247 feet      FWL

11. Field Name: Wattenberg      Field Number: 90750

12. Ground Elevation: 5106      13. County: WELD

14. GPS Data:  
 Date of Measurement: 04/21/2011    PDOP Reading: 0.6    Instrument Operator's Name: Joseph W. Stice III

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

1359    FNL    1247    FWL      2569    FNL    1322    FWL

Sec: 34    Twp: 4N    Rng: 68W      Sec: 34    Twp: 4N    Rng: 68W

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: 1221 ft

18. Distance to nearest property line: 1247 ft    19. Distance to nearest well permitted/completed in the same formation: 960 ft

**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.)
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: casmuson@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:**

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

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**

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
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**

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

Total: 0 comment(s)