

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



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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:

1692700

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: ED HOLLOWAY Phone: (970)737-1073 Fax: (970)737-1045
Email: CRAIGRASMUSON@COMCAST.NET

7. Well Name: SRC STATE Well Number: 16TD

8. Unit Name (if apl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 8035

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 16 Twp: 4N Rng: 67W Meridian: 6

Latitude: 40.309292 Longitude: -104.896666

Footage at Surface: 1375 FNL/FSL FSL 2532 FEL/FWL FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4910 13. County: WELD

14. GPS Data:

Date of Measurement: 10/14/2009 PDOP Reading: 1.5 Instrument Operator's Name: JOHN BARICKMAN

15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL 200 FSL 950 FEL FEL Bottom Hole: FNL/FSL 200 FSL 950 FEL FEL
Sec: 16 Twp: 4N Rng: 67W Sec: 16 Twp: 4N Rng: 67W

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: 1000 ft

18. Distance to nearest property line: 155 ft 19. Distance to nearest well permitted/completed in the same formation: 783 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.)
J-SAND	JSND	232-23	160	GWA
NIOBRARA/CODELL	NB-CD	407-87	160	GWA

21. Mineral Ownership: ☐ Fee ☒ State ☐ Federal ☐ Indian Lease #: 88/5056S

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 Bon ☐ \$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):
S/2, SEC. 16, 4N, 67W

25. Distance to Nearest Mineral Lease Line: 1260 ft 26. Total Acres in Lease: 320

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☐ No If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☒ Offsite ☐ Onsite

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	Weight Per Foot	Setting Depth	Sacks Cement	Cement Bottom	Cement Top
SURF	12+1/4	8+5/8	24	590	300	590	0
1ST	7+7/8	4+1/2	11.6	7,800	490	7,800	

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

33. Comments NO CONDUCTOR CASING WILL BE USED.

34. Location ID: 302650

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: LAND & FIELD OPER. Date: 10/27/2009 Email: CRAIGRASMUSON@COMCA

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. Nashin Director of COGCC Date: 11/18/2009

API NUMBER

05 123 30742 00

Permit Number: _____ Expiration Date: 11/17/2010

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.

SYNERGY HAS OBTAINED WAIVERS FROM THE LGD, SURFACE OWNER, AND OPERATOR TO WAIVE THE WHOA PERIOD (305d1,2)

1) Provide 24 hour notice of MIRU to Ed Binkley at 970-506-9834 or e-mail at ed.binkley@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) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to 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	Doc Description
1692700	APD ORIGINAL	LF@2167860 1692700
1692701	WELL LOCATION PLAT	LF@2167862 1692701
1692703	DEVIATED DRILLING PLAN	LF@2167864 1692703
1692731	EXCEPTION LOC REQUEST	LF@2167866 1692731
1759620	EXCEPTION LOC WAIVERS	LF@2174316 1759620
1759622	30 DAY NOTICE LETTER	LF@2174318 1759622
1759623	SURFACE AGRMT/SURETY	LF@2174317 1759623
1759631	WAIVERS	LF@2174319 1759631
400012053	FORM 2 SUBMITTED	LF@2168743 400012053

Total Attach: 9 Files