

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



| | | | |
|----|----|----|----|
| DE | ET | OE | ES |
|----|----|----|----|

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:

1692716

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: 33-16D

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

9. Proposed Total Measured Depth: 7782

WELL LOCATION INFORMATION

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

Latitude: 40.309375 Longitude: -104.896668

Footage at Surface: 1405 FNL/FSL FSL 2532 FEL/FWL FWL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 4908 13. County: WELD

14. GPS Data:

Date of Measurement: 10/14/2009 PDOP Reading: 1.7 Instrument Operator's Name: JOHN C. BARICKMAN

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

Footage at Top of Prod Zone: FNL/FSL 1966 FSL FSL 2026 FEL FEL Bottom Hole: FNL/FSL 1966 FSL FSL 2026 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 | 320 | S2 |
| NIOBRARA/CODELL | NB-CD | 407-87 | 80 | W2SE4 |

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

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: MGR 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. Neslin Director of COGCC Date: 11/18/2009

API NUMBER

05 123 30743 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 |
|-------------|------------------------|----------------------|
| 1692705 | EXCEPTION LOC REQUEST | LF@2167858 1692705 |
| 1692716 | APD ORIGINAL | LF@2167852 1692716 |
| 1692729 | WELL LOCATION PLAT | LF@2167854 1692729 |
| 1692730 | DEVIATED DRILLING PLAN | LF@2167856 1692730 |
| 1759619 | EXCEPTION LOC WAIVERS | LF@2174312 1759619 |
| 1759624 | SURFACE AGRMT/SURETY | LF@2174313 1759624 |
| 1759626 | 30 DAY NOTICE LETTER | LF@2174314 1759626 |
| 1759632 | WAIVERS | LF@2174315 1759632 |
| 400012033 | FORM 2 SUBMITTED | LF@2168737 400012033 |

Total Attach: 9 Files