

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:
400031107
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: pm3rsandquist@aol.com

7. Well Name: SRC State Well Number: 16KD

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

9. Proposed Total Measured Depth: 7512

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 16 Twp: 4N Rng: 67W Meridian: 6
Latitude: 40.309514 Longitude: -104.900308

Footage at Surface: 1436 FNL/FSL FSL 1518 FEL/FWL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4897 13. County: WELD

14. GPS Data:

Date of Measurement: 01/04/2010 PDOP Reading: 1.4 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 _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____
2562 FSL 1362 FWL 2562 FSL 1362 FWL
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: 1330 ft

18. Distance to nearest property line: 81 ft 19. Distance to nearest well permitted/completed in the same formation: 707 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.)
Niobrara/Codell	NB-CD	407-87	160	S/2NW4 & N/2SW4

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: 52 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	580	300	580	0
1ST	7+7/8	4+1/2	11.3	7,512	490	7,512	200

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

33. Comments No Conductive Surface Casing Will Be Used. Location is less tha 150 feet from the property line; exception granted Operator requests approval of Rule 603.a.(2) exception location for well location 86' from nearest property line, signed waiver attached. (jps 4/9/10)

34. Location ID: 332784

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 Ops. Date: 2/3/2010 Email: craigrasmuson@comcast.net

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: 4/9/2010

API NUMBER
05 123 31402 00

Permit Number: _____ Expiration Date: 4/8/2012

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 970-330-6085 or e-mail at bo.brown@state.co.us. 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara and from 200' below Shannon to 200' above Shannon. 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.

Location is less than 150 feet from the property line; exception granted

Attachment Check List

Att Doc Num	Name	Doc Description
1770040	SURFACE CASING CHECK	LF@2440208 1770040
400032134	MULTI-WELL PLAN	LF@2422574 400032134
400032135	WELL LOCATION PLAT	LF@2422575 400032135
400032138	DRILLING PLAN	LF@2422576 400032138
400032139	WAIVERS	LF@2422577 400032139
400032140	SURFACE AGRMT/SURETY	LF@2422578 400032140
400035536	SURFACE OWNER CONSENT	LF@2422579 400035536
400035537	EXCEPTION LOC WAIVERS	LF@2422580 400035537
400035538	PROPOSED SPACING UNIT	LF@2422581 400035538
400035556	PROPOSED SPACING UNIT	LF@2422582 400035556
400035570	PROPOSED SPACING UNIT	LF@2422583 400035570
400039227	FORM 2 SUBMITTED	LF@2422584 400039227

Total Attach: 12 Files