

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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Document Number:  
400172323  
Plugging Bond Surety  
20090043

**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

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: 22-34D

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

9. Proposed Total Measured Depth: 7938

**WELL LOCATION INFORMATION**

10. QtrQtr: SWNW Sec: 34 Twp: 4N Rng: 68W Meridian: 6  
Latitude: 40.273399 Longitude: -104.994240

Footage at Surface: 1341 feet FNL 1238 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: 0.7 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 \_\_\_\_\_  
1985 FNL 1983 FWL 1985 FNL 1983 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: 1238 ft 19. Distance to nearest well permitted/completed in the same formation: 960 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	W2
Niobrara/Codell	NB-CD	407-87	80	S2NW4

**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: 661 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	7,938	525	7,938	200

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

33. Comments No conductive surface casing will be used

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@syrginfo.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 33842 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
1771319	SURFACE CASING CHECK
400172323	FORM 2 SUBMITTED
400172597	OIL & GAS LEASE
400172603	MULTI-WELL PLAN
400172605	OTHER
400172624	ACCESS ROAD MAP
400172629	DEVIATED DRILLING PLAN
400172633	HYDROLOGY MAP
400172635	LOCATION DRAWING
400172638	LOCATION PICTURES
400172641	WELL LOCATION PLAT

Total Attach: 11 Files

**General Comments**

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Changed: "the well plat is correct at SWNW Sec 34 T4N R68W and 1238' from the nearest property line per opr.	6/16/2011 11:26:53 AM
Permit	Requesting confirmation of well location & property line.	6/16/2011 9:29:44 AM
Permit	Directional well. Top of zone should be same as bottom hole. changed per opr. plg.	6/16/2011 9:22:11 AM
Permit	Permission from Opr-Rhonda to add the plugging bond and remove the location ID. sf	6/8/2011 11:34:57 AM

Total: 4 comment(s)

**BMP**

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

Total: 0 comment(s)