


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		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">DE</td> <td style="width: 25%;">ET</td> <td style="width: 25%;">OE</td> <td style="width: 25%;">ES</td> </tr> </table>	DE	ET	OE	ES
DE	ET	OE	ES				
APPLICATION FOR PERMIT TO:			Document Number: <div style="text-align: center;">400172323</div> Plugging Bond Surety <div style="text-align: center;">20090043</div>				
1. <input checked="" type="checkbox"/> Drill, <input type="checkbox"/> Deepen, <input type="checkbox"/> Re-enter, <input type="checkbox"/> Recomplete and Operate							
2. TYPE OF WELL OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> COALBED <input type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> COMMINGLE ZONE <input type="checkbox"/>		Refiling <input type="checkbox"/> Sidetrack <input type="checkbox"/>					
3. Name of Operator: <u>SYNERGY RESOURCES CORPORATION</u>		4. COGCC Operator Number: <u>10311</u>					
5. Address: <u>20203 HIGHWAY 60</u> City: <u>PLATTEVILLE</u> State: <u>CO</u> Zip: <u>80651</u>							
6. Contact Name: <u>Rhonda Sandquist</u> Phone: <u>(970)737-1073</u> Fax: <u>(970)737-1045</u> Email: <u>rsandquist@syrginfo.com</u>							
7. Well Name: <u>Margil</u>		Well Number: <u>22-34D</u>					
8. Unit Name (if appl): _____		Unit Number: _____					
9. Proposed Total Measured Depth: <u>7938</u>							
WELL LOCATION INFORMATION							
10. QtrQtr: <u>SWNW</u> Sec: <u>34</u> Twp: <u>4N</u> Rng: <u>68W</u> Meridian: <u>6</u> Latitude: <u>40.273399</u> Longitude: <u>-104.994240</u>							
Footage at Surface: <u>1341</u> feet FNL/FSL <u>FNL</u> <u>1238</u> feet FEL/FWL <u>FWL</u>							
11. Field Name: <u>Wattenberg</u>		Field Number: <u>90750</u>					
12. Ground Elevation: <u>5106</u>		13. County: <u>WELD</u>					
14. GPS Data: Date of Measurement: <u>04/21/2011</u> PDOP Reading: <u>0.7</u> Instrument Operator's Name: <u>Joseph W. Stice III</u>							
15. If well is <input checked="" type="checkbox"/> Directional <input type="checkbox"/> Horizontal (highly deviated) submit deviated drilling plan. Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL <div style="display: flex; justify-content: space-around;"> <div> <u>1985</u> <u>FNL</u> <u>1983</u> <u>FWL</u> </div> <div> <u>1985</u> <u>FNL</u> <u>1983</u> <u>FWL</u> </div> </div> Sec: <u>34</u> Twp: <u>4N</u> Rng: <u>68W</u> Sec: <u>34</u> Twp: <u>4N</u> Rng: <u>68W</u>							
16. Is location in a high density area? (Rule 603b)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
17. Distance to the nearest building, public road, above ground utility or railroad: <u>1221 ft</u>							
18. Distance to nearest property line: <u>1238 ft</u> 19. Distance to nearest well permitted/completed in the same formation: <u>960 ft</u>							
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@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 33842 00

Permit Number: _____ Expiration Date: 6/29/2013

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 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)