

<b>FORM</b> <b>2</b> Rev 12/05	State of Colorado <b>Oil and Gas Conservation Commission</b> 1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109		DE ET OE ES
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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:

400177041

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: Kori Thoren      Phone: (970)737-1073      Fax: (970)737-1045  
 Email: kthoren@syrginfo.com

7. Well Name: Klein      Well Number: 34-8D

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

9. Proposed Total Measured Depth: 7907

**WELL LOCATION INFORMATION**

10. QtrQtr: SWSE    Sec: 8    Twp: 4N    Rng: 67W    Meridian: 6  
 Latitude: 40.320788      Longitude: -104.914081

Footage at Surface:      feet      FNL/FSL      feet      FEL/FWL  
191      feet      FSL      2257      feet      FEL

11. Field Name: Wattenberg      Field Number: 90750

12. Ground Elevation: 4794      13. County: WELD

14. GPS Data:  
 Date of Measurement: 01/13/2011    PDOP Reading: 1.8    Instrument Operator's Name: Mark Hall

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  
655    FSL    1863    FEL      655    FSL    1863    FEL  
 Sec: 8    Twp: 4N    Rng: 67W      Sec: 8    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: 176 ft

18. Distance to nearest property line: 191 ft    19. Distance to nearest well permitted/completed in the same formation: 900 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	E/2
Niobrara/Codell	NB-CD	407-87	80	W/2SE/4

**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):  
SWSE Sec. 8, T4N - R67W

25. Distance to Nearest Mineral Lease Line: 655 ft 26. Total Acres in Lease: 160

**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	550	360	550	0
1ST	7+7/8	4+1/2	11.6	0	7,906	390	7,906	200

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

33. Comments No conductive surface casing will be used. Rig Height is 104'. Operator requests approval of a Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Attached Exception Location Request and Waiver.

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: 6/27/2011 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. Nesline Director of COGCC Date: 7/27/2011

<b>API NUMBER</b> 05 123 34053 00	Permit Number: _____ Expiration Date: <u>7/26/2013</u>
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**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.

Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location: EXCEPTION GRANTED.

Wellhead is 176' to the nearest public road and the rig height is given as 104', the rig used to drill the subject well must not have a derrick height of greater than 2/3rds of 176 feet or 117 feet.

- 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
1694216	EXCEPTION LOC WAIVERS
1771332	SURFACE CASING CHECK
400177041	FORM 2 SUBMITTED
400179129	MULTI-WELL PLAN
400179131	WELL LOCATION PLAT
400179134	DEVIATED DRILLING PLAN
400179138	OIL & GAS LEASE

Total Attach: 7 Files

**General Comments**

User Group	Comment	Comment Date
Permit	Corrected spacing order for J Sand to E/2 per operator.	7/22/2011 12:21:44 PM
Permit	Requesting corrected Spacing order.	7/19/2011 2:50:46 PM
Permit	Operator requests approval of a Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Attached Exception Location Request and Waiver.	7/19/2011 2:44:16 PM
Engineer	Pad depths all seem to be Dakota depth - Jsand + RH=7670' (GR corr'd for offset) - proposed TVD is 7850' - Dakota should probably be included in objective formations.  390 sx cement don't give a TOC of 200 - req'd clarification	7/18/2011 1:37:05 PM
Permit	Received and attached the Exception Location Request letter and waiver. rig height is 104'.	7/15/2011 3:15:47 PM
Permit	Requesting exception location letter and waiver, rig height, distance to nearest well, distance to nearest road and spacing corrected.	7/7/2011 2:40:52 PM
Permit	Kori Thoren is not listed as a designated agent for Synergy Resources Corporation. NKP 6/29/11 Kori Thoren has been added. NKP	6/28/2011 10:42:28 AM

Total: 7 comment(s)

**BMP**

Type	Comment

Total: 0 comment(s)