

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
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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:
 400177043
 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: 43-8D
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 8411

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 8 Twp: 4N Rng: 67W Meridian: 6
 Latitude: 40.320785 Longitude: -104.913938
 Footage at Surface: 191 feet FSL 2217 feet FEL
FNL/FSL FEL/FWL
 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: 1.3 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
1961 FSL 494 FEL 1961 FSL 494 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

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	N/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: 494 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	8,410	390	8,410	200

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

33. Comments No conductive surface casing will be used. The rig height is given as 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

API NUMBER 05 123 34054 00	Permit Number: _____	Expiration Date: <u>7/26/2013</u>
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CONDITIONS OF APPROVAL, IF ANY: _____

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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.

Wellhead is 177' 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 177 feet or 118 feet.

Attachment Check List

Att Doc Num	Name
1694213	EXCEPTION LOC WAIVERS
1771332	SURFACE CASING CHECK
400177043	FORM 2 SUBMITTED
400179365	MULTI-WELL PLAN
400179366	WELL LOCATION PLAT
400179367	DEVIATED DRILLING PLAN
400179368	OIL & GAS LEASE

Total Attach: 7 Files

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General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected spacing order for J Sand to E/2 per operator.	7/22/2011 12:23:00 PM
Permit	Requesting corrected Spacing Order.	7/19/2011 2:42:16 PM
Permit	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.	7/19/2011 11:02:16 AM
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 11:02:10 AM
Permit	The rig height is given as 104'.	7/19/2011 10:10:33 AM
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 1:30:32 PM
Permit	Requesting exception location letter and waiver, rig height, and spacing corrected.	7/7/2011 3:22:03 PM
Permit	Kori Thoren is not a designated agent for Synergy Resources. NKP 6/29/11 Kori Thoren has been added. NKP	6/28/2011 11:05:43 AM

Total: 8 comment(s)

BMP

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

Total: 0 comment(s)