

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



DE	ET	OE	ES
Document Number: 400181355			
PluggingBond SuretyID 20090043			

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☐ GAS ☒ COALBED ☐ OTHER _____
SINGLE ZONE ☐ MULTIPLE ☒ COMMINGLE ☐

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: Kori Thoren Phone: (970)737-1073 Fax: (970)737-1045
Email: kthoren@syrginfo.com
7. Well Name: Margil Well Number: 34BD
8. Unit Name (if appl): _____ Unit Number: _____
9. Proposed Total Measured Depth: 8230

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 34 Twp: 4N Rng: 68W Meridian: 6
Latitude: 40.266787 Longitude: -104.997841

Footage at Surface: 1546 feet FNL/FSL 235 feet FEL/FWL
FSL FWL

11. Field Name: Wattenberg Field Number: 90750
12. Ground Elevation: 5133 13. County: WELD

14. GPS Data:

Date of Measurement: 05/01/2011 PDOP Reading: 1.8 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 FSL FEL/FWL Bottom Hole: FNL/FSL FSL FEL/FWL
1322 1323 1322 1323
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: 226 ft

18. Distance to nearest property line: 235 ft 19. Distance to nearest well permitted/completed in the same formation: 940 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.)
Dakota	DKTA	499-15	320	W/2
J-Sand	JSND	232-23	320	W/2
Niobrara/Codell	NB-CD	407-87	160	SW/4

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):

NWSW Sec. 34, T4N - R68W

25. Distance to Nearest Mineral Lease Line: 1322 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	8,084	550	8,084	200

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

33. Comments No conductive surface casing will be used. 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. Request and Waiver attached.

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: 7/1/2011

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 G. Neslin

Director of COGCC Date: 8/7/2011

API NUMBER

05 123 34123 00

Permit Number: _____ Expiration Date: 8/6/2013

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
1694207	EXCEPTION LOC WAIVERS
400181355	APD APPROVED
400181521	MULTI-WELL PLAN
400181522	WELL LOCATION PLAT
400181523	DEVIATED DRILLING PLAN
400181525	OTHER
400181527	OIL & GAS LEASE
400192985	FORM 2 SUBMITTED

Total Attach: 8 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Changed MD to 8230' per operator. well not high density. no houses under construction.	3/1/2011 8:42:39 AM
Permit	ON HOLD: Requesting the documentation showing the platting of the subdivision. The town of Mead has issues with the density. Since the area has been platted they feel it should be High Density. Gary West, Lawyer for the Town of Mead, 303.776.8499	7/27/2011 1:48:57 PM
Permit	changed the spacing unit for the NB-CD from 80 unit acres, N/2SW configuration to 160 unit acres, SW configuration.	7/15/2011 9:07:36 AM
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.	7/15/2011 8:59:54 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. Request and Waiver attached.	7/15/2011 8:59:53 AM
Permit	Requesting change to unit configuration for NB-CD from N/2SW to SW. Also requesting Exception Location Letter and waivers.	7/11/2011 9:09:07 AM
Permit	Sent back to Draft Surface owner is indicated as NA	7/1/2011 3:29:44 PM

Total: 7 comment(s)

BMP

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

Total: 0 comment(s)