

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

Document Number:
400182642

PluggingBond SuretyID
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: SRC Leffler Well Number: 13-26D

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 7581

WELL LOCATION INFORMATION

10. QtrQtr: NWSW Sec: 26 Twp: 7N Rng: 66W Meridian: 6
Latitude: 40.542782 Longitude: -104.750552

Footage at Surface: 1446 feet FSL 1013 feet FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4870 13. County: WELD

14. GPS Data:
Date of Measurement: 04/07/2011 PDOP Reading: 1.6 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

1989 FSL 663 FWL 1989 FSL 663 FWL

Sec: 26 Twp: 7N Rng: 66W Sec: 26 Twp: 7N Rng: 66W

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: 264 ft

18. Distance to nearest property line: 171 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.)
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. 26, T7N - R66W

25. Distance to Nearest Mineral Lease Line: 170 ft 26. Total Acres in Lease: 320

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	440	290	440	0
1ST	7+7/8	4+1/2	11.6	0	7,580	350	7,580	0

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

33. Comments No conductive surface casing will be used. Building E, F, G & H and corresponding overhead electrical power will be removed as drilling location is built. Surface/mineral owner approves the removal of the "old" storage farm out buildings as part of the oil and gas exploration for this 160 acre unit.

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: 7/7/2011 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. Nesline Director of COGCC Date: 8/26/2011

API NUMBER
05 123 34253 00

Permit Number: _____ Expiration Date: 8/25/2013

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) Note surface casing setting depth change from 400' to 440'. Increase cement coverage accordingly and cement to surface.
- 2) Provide 24 hour notice of MIRU to Bo Brown at e-mail bo.brown@state.co.us.
- 3) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 4) 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
1771340	SURFACE CASING CHECK
400182642	FORM 2 SUBMITTED
400182672	MULTI-WELL PLAN
400182674	WELL LOCATION PLAT
400182676	DEVIATED DRILLING PLAN
400182679	OIL & GAS LEASE

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected distance to nearest to 264' building per new location drawing attached to form 2A. Corrected property line to 171' to match Well Plat.	7/15/2011 11:06:25 AM

Total: 1 comment(s)

BMP

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

Total: 0 comment(s)