

FORM
2Rev
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: 400235866			
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: Hilfer Well Number: 13-8D

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

9. Proposed Total Measured Depth: 8202

WELL LOCATION INFORMATION

10. QtrQtr: NESW Sec: 8 Twp: 4N Rng: 67W Meridian: 6

Latitude: 40.325410 Longitude: -104.915490

Footage at Surface: 1886 feet FNL/FSL 2314 feet FEL/FWL
FSL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4829 13. County: WELD

14. GPS Data:

Date of Measurement: 10/18/2011 PDOP Reading: 0.6 Instrument Operator's Name: Steven A. Lund

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
1971 FSL 618 FWL 1971 FSL 618 FWL
Sec: 8 Twp: 4N Rng: 67W Sec: 8 Twp: 4N Rng: 67W16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No

17. Distance to the nearest building, public road, above ground utility or railroad: 236 ft

18. Distance to nearest property line: 157 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 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.)
Niobrara/Codell	NB-CD	407-87	80	N2SW4

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. 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 ☐ No23b. 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):

NESW Sec. 8, T4N - R67W

25. Distance to Nearest Mineral Lease Line: 618 ft

26. Total Acres in Lease: 80

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	8,202	390	8,202	200

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

33. Comments No conductive surface casing will be used. Please see attached exception location waiver and request.

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: Head of Operations Date: 12/29/2011 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: 1/29/2012

API NUMBER

05 123 35002 00

Permit Number: _____ Expiration Date: 1/28/2014

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.

Wellhead is 157' to the nearest property line 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 157 feet or 104.6 feet.

Operator must meet water well testing requirements per Rule 318A.

- 1) Provide 24 hour notice of MIRU to Mike Hickey via e-mail at Mike.Hickey@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
1694599	EXCEPTION LOC WAIVERS
400235866	FORM 2 SUBMITTED
400235978	MULTI-WELL PLAN
400235979	WELL LOCATION PLAT
400235980	OIL & GAS LEASE
400236386	DEVIATED DRILLING PLAN

Total Attach: 6 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	1/27/2012 11:43:45 AM
Permit	Permit application to be Codell-Niobrara only. Removed J Sand formation per operator.	1/27/2012 9:44:18 AM
Permit	ON HOLD: w/o form 2A. Property line setback not met.	1/20/2012 9:17:09 AM
Permit	Changed SHL from 1886' FSL to 1866' FSL per well plat. ok to pass 1/19/12.	1/13/2012 11:17:00 AM
Permit	Operator requests approval of a Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Request and Waiver attached.	1/13/2012 11:10:57 AM
Permit	Operator corrected Lat long. This form has passed completeness.	12/30/2011 10:07:15 AM
Permit	Returned to draft. Lat long is for BHL.	12/29/2011 11:47:17 AM

Total: 7 comment(s)

BMP

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

Total: 0 comment(s)