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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 FSL 2314 feet 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: 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: 236 ft

18. Distance to nearest property line: 157 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 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	80	N2SW4

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):

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@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: 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)