

CEMENT JOB REPORT



| | | | | | | |
|--|--|---|--------------------------|---|---------------------------------------|--|
| CUSTOMER SYNERGY RESOURCES COR | | DATE 21-DEC-11 | F.R. # 1001876151 | | SERV. SUPV. AARON M MCWILLIAMS | |
| LEASE & WELL NAME MARGIL 34BD - API 05123341230000 | | LOCATION 34-4N-68W | | COUNTY-PARISH-BLOCK Weld Colorado | | |
| DISTRICT Brighton | | DRILLING CONTRACTOR RIG # ENSIGN 33 | | TYPE OF JOB Long String | | |

| SIZE & TYPE OF PLUGS | LIST-CSG-HARDWARE | MECHANICAL BARRIERS | MD | TVD | HANGER TYPES | MD | TVD |
|-----------------------------------|--------------------------------------|---------------------|----|-----|--------------|----|-----|
| Latch Down Plug & Assembly, 4-1/2 | Float Collar, Auto Fill, 4-1/2 - 8rd | | | | | | |
| | Float Shoe 4-1/2 - 8rd | | | | | | |
| | Centralizer, with Pins, 4-1/2 in | | | | | | |

| PHYSICAL SLURRY PROPERTIES | | | | | | | | | |
|--|----------------|-----------------|----------------|----------------------------|-----------|------------------|------------|---------------|--|
| MATERIALS FURNISHED BY BJ | LAB REPORT NO. | SACKS OF CEMENT | SLURRY WGT PPG | SLURRY YLD FT ³ | WATER GPS | PUMP TIME HR:MIN | Bbl SLURRY | Bbl MIX WATER | |
| 50:50+.4%FL-63+3%Gel+.1%SMS+20%SF | 0 | 300 | 13.5 | 1.71 | 8.30 | 03:00 | 91.36 | 59.19 | |
| ClayCare Water | 0 | 0 | 8.34 | 0 | 0 | 00:00 | 127.14 | | |
| PL+.25#/skCF+.4%FL-63+3%Gel | 0 | 675 | 12.5 | 1.89 | 10.37 | 03:00 | 227.21 | 166.71 | |
| Fresh Water | 0 | 0 | 8.34 | 0 | 0 | 00:00 | 20 | | |
| Mud Clean II | 0 | 0 | 8.34 | 0 | 0 | 00:00 | 20 | | |
| Freshwater | 0 | 0 | 8.34 | 0 | 0 | 00:00 | 20 | | |
| Available Mix Water 500 Bbl. Available Displ. Fluid 180 Bbl. TOTAL | | | | | | | 505.71 | 225.91 | |

| HOLE | | | TBG-CSG-D.P. | | | | | | | COLLAR DEPTHS | | |
|-------|----------|-------|--------------|-----|------|------|------|------|-------|---------------|-------|-------|
| SIZE | % EXCESS | DEPTH | ID | OD | WGT. | TYPE | MD | TVD | GRADE | SHOE | FLOAT | STAGE |
| 7.875 | 10 | 8210 | 4 | 4.5 | 11.6 | CSG | 8200 | 8064 | N-80 | 8200 | 8181 | 0 |

| LAST CASING | | | | | | PKR-CMT RET-BR PL-LINER | | PERF. DEPTH | | | TOP CONN | | WELL FLUID | |
|-------------|------|-----|------|-----|-----|-------------------------|-------|-------------|-----|------|----------|-------------|------------|--|
| ID | OD | WGT | TYPE | MD | TVD | BRAND & TYPE | DEPTH | TOP | BTM | SIZE | THREAD | TYPE | WGT. | |
| 8.1 | 8.63 | 24 | CSG | 694 | 694 | No packer | 0 | 0 | 0 | 4.5 | 8RD | WATER BASED | 9.6 | |

| DISPL. VOLUME | | DISPL. FLUID | | CAL. PSI | CAL. MAX PSI | OP. MAX | MAX TBG PSI | | MAX CSG PSI | | MIX WATER |
|---------------|------|----------------|------|-----------|--------------|---------|-------------|----------|-------------|----------|-----------|
| VOLUME | UOM | TYPE | WGT. | BUMP PLUG | TO REV. | SQ. PSI | RATED | Operator | RATED | Operator | |
| 120 | BBLS | ClayCare Water | 8.34 | 1773 | 0 | 0 | 0 | 0 | 6224 | 3000 | Rig tank |

| Circulation Prior to Job | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|------------------------------|--|--|--|--|---|--|--|--|--|--------------------|--|--|--|--|
| Circulated Well: Rig <input checked="" type="checkbox"/> BJ <input type="checkbox"/> | | | | | Circulation Time: 1 | | | | | Circulation Rate: 7 BPM | | | | | | | | | |
| Mud Density In: 9.6 LBS/GAL | | | | | Mud Density Out: 9.6 LBS/GAL | | | | | PV & YP Mud In: 0 | | | | | PV & YP Mud Out: 0 | | | | |
| Gas Present: NO <input type="checkbox"/> YES <input checked="" type="checkbox"/> | | | | | Units: 0 | | | | | Solids Present at End of Circulation: NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> | | | | | | | | | |

| Displacement And Mud Removal | | | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Displaced By: Rig <input type="checkbox"/> BJ <input checked="" type="checkbox"/> | | | | | Amount Bled Back After Job: 1 BBLS | | | | | | | | | |
| Returns During Job: <input type="checkbox"/> NONE <input type="checkbox"/> PARTIAL <input checked="" type="checkbox"/> FULL | | | | | Method Used to Verify Returns: Visually | | | | | | | | | |
| Cement Returns at Surface: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | | | | | Were Returns Planned at Surface: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES | | | | | | | | | |
| Pipe Movement: <input type="checkbox"/> ROTATION <input type="checkbox"/> RECIPROCATION <input checked="" type="checkbox"/> NONE <input type="checkbox"/> UNABLE DUE TO STUCK PIPE | | | | | | | | | | | | | | |
| Centralizers: <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES | | | | | Quantity: 30 | | | | | Type: <input checked="" type="checkbox"/> BOW <input type="checkbox"/> RIGID | | | | |
| Job Pumped Through: <input type="checkbox"/> CHOKE MANIFOLD <input type="checkbox"/> SQUEEZE MANIFOLD <input checked="" type="checkbox"/> MANIFOLD <input type="checkbox"/> NO MANIFOLD | | | | | | | | | | | | | | |

| Plugs | | | | | | | | | | | | | | |
|---|--|--|--|--|---|--|--|--|--|---|--|--|--|--|
| Number of Attempts by BJ: 0 | | | | | Competition: 0 | | | | | Wiper Balls Used: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES Quantity: | | | | |
| Plug Catcher Used: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES | | | | | Parabow Used: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES | | | | | | | | | |
| Was There a Bottom: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES | | | | | Top of Plug: 0 FT | | | | | Bottom of Plug: 0 FT | | | | |

| Squeezes (Update Original Treatment Report for Primary Job) | | | | | | | | | | | | | | | | | | | |
|---|--|--|--|--|---|--|--|--|--|---|--|--|--|--|--|--|--|--|--|
| BLOCK SQUEEZE <input type="checkbox"/> | | | | | SHOE SQUEEZE <input type="checkbox"/> | | | | | TOP OF LINER SQUEEZE <input type="checkbox"/> | | | | | PLANNED <input type="checkbox"/> UNPLANNED <input checked="" type="checkbox"/> | | | | |
| Liner Packer: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES | | | | | Bond Log: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES | | | | | PSI Applied: 0 | | | | | Fluid Weight: 0 LBS/GAL | | | | |

| Casing Test (Update Original Treatment Report for Primary Job) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--------------------|--|--|--|--|--|--|--|--|--|--------------------------------|--|--|--|--|--|--|--|--|--|
| Casing Test Pressure: 0 PSI | | | | | | | | | | With 0 LBS/GAL Mud | | | | | | | | | | Time Held: 00 Hours 00 Minutes | | | | | | | | | |

CEMENT JOB REPORT



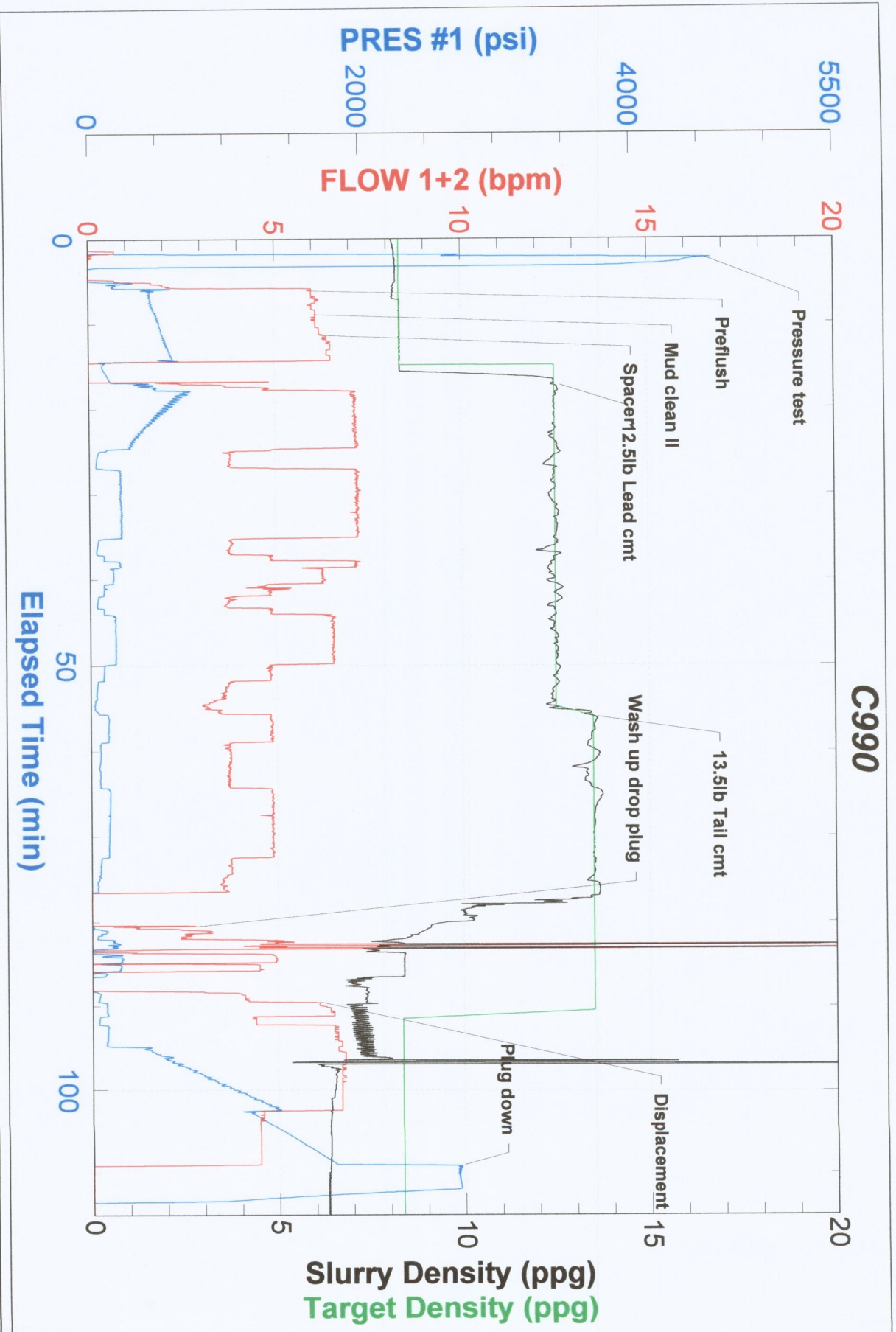
Shoe Test (Update Original Treatment Report for Primary Job)

| | | |
|---|---|-----------------------|
| Depth Drilled out of Shoe: 0 FT | Target EMW: 0 LBS/GAL | Actual EMW: 0 LBS/GAL |
| Number of Times Tests Conducted: 0 | Mud Weight When Test was Conducted: 0 LBS/GAL | |
| Problems Before Job (I.E. Running Casing, Circulating Well, ETC) None | | |
| Problems During Job (I.E. Lost Returns, Equipment Failure, Bulk Delivery, Foaming, ETC) Bumped Plug 7 bbl's early. | | |
| Problems After Job (I.E. Gas at Surface, Float Equipment Failed, ETC) None | | |
| EXPLANATION: TROUBLE SETTING TOOL, RUNNING CSG, ETC. PRIOR TO CEMENTING: None | | |

| PRESSURE/RATE DETAIL | | | | | | EXPLANATION | |
|--|------------------------|--|---------------------------------|-------------------------|-----------------------|---|---|
| TIME HR:MIN. | PRESSURE - PSI | | RATE BPM | Bbl. FLUID PUMPED | FLUID TYPE | SAFETY MEETING: BJ CREW <input checked="" type="checkbox"/> CO. REP. <input checked="" type="checkbox"/> | |
| | PIPE | ANNULUS | | | | TEST LINES | 4297 PSI |
| | | | | | | CIRCULATING WELL - RIG | <input checked="" type="checkbox"/> BJ <input type="checkbox"/> |
| 19:45 | 0 | 0 | 0 | 0 | N/A | Yard call | |
| 21:50 | 0 | 0 | 0 | 0 | N/A | Leave yard | |
| 22:50 | 0 | 0 | 0 | 0 | N/A | Arrive on location 29 miles Rig still running casing | |
| 00:00 | 0 | 0 | 0 | 0 | N/A | Spot trucks | |
| 00:15 | 0 | 0 | 0 | 0 | N/A | Rig up safety meeting | |
| 01:40 | 0 | 0 | 0 | 0 | N/A | Pre job safety meeting | |
| 02:06 | 4297 | 0 | 0 | 0 | H2O | Pressure test pumps and lines | |
| 02:09 | 420 | 0 | 6 | 20 | H2O | Preflush | |
| 02:13 | 519 | 0 | 6 | 20 | MUDCLEA | Mud clean II | |
| 02:16 | 552 | 0 | 6 | 20 | H2O | Spacer | |
| 02:22 | 678 | 0 | 7.2 | 225 | CMT | Batch up and pump 675 sks of PLC + 0.25lbs/sack Cello Flake + 0.4% FL-63 + 3% Bentonite 12.5 ppg 1.89 yield 10.37 gps | |
| 03:01 | 132 | 0 | 4.8 | 90 | CMT | Batch up and pump 300 sks of (50:50) Poz:G + 0.4% FL-52 + 3% Bentonite + 0.1% 13.5 ppg 1.71 yield 8.30 gps | |
| 03:20 | 0 | 0 | 0 | 0 | H2O | Wash up and drop plug | |
| 03:33 | 1387 | 0 | 6.8 | 90 | CLAYCAR | Displacement | |
| 03:47 | 1750 | 0 | 4.5 | 30 | CLAYCAR | Rate change | |
| 03:55 | 1880 | 0 | 4.5 | 120 | CLAYCAR | Bump plug | |
| 03:55 | 2700 | 0 | 0 | 0 | N/A | Plug down @ 120 bbl's | |
| 03:56 | 0 | 0 | 0 | 0 | N/A | Rig down safety meeting | |
| 04:45 | 0 | 0 | 0 | 0 | N/A | Leave location | |
| BUMPED PLUG | PSI TO BUMP PLUG | TEST FLOAT EQUIP. | BBL.CMT RETURNS/ REVERSED | TOTAL BBL. PUMPED | PSI LEFT ON CSG | SPOT TOP OUT CEMENT | Service Supervisor Signature: |
| <input checked="" type="checkbox"/> Y <input type="checkbox"/> N | 2700 | <input checked="" type="checkbox"/> Y <input type="checkbox"/> N | 0 | 495 | 0 | <input checked="" type="checkbox"/> Y <input type="checkbox"/> N | |



BJ Services JobMaster Program Version 3.50
Job Number: 1001876151
Customer: Synergy
Well Name: Margil 34BD



FIELD RECEIPT NO. 1001876151



| | | | | | | | | | | | |
|---|--------------------------------------|---------------------------|------------------------|--|------------------------|---|----------------|-------------------------|--|-----------------------|--|
| CUSTOMER | | SYNERGY RESOURCES CORP | | CREDIT APPROVAL NO. | | PURCHASE ORDER NO. | | CUSTOMER NUMBER | | INVOICE NUMBER | |
| MAIL | | STREET OR BOX NUMBER | | CITY | | STATE | | ZIP CODE | | | |
| INVOICE TO | | 20203 HWY 60 PO BOX 80651 | | Platteville | | Colorado | | 80651 | | | |
| DATE WORK COMPLETED | | MO. DAY YEAR | | BHI REPRESENTATIVE | | WELL API NO.: | | WELL TYPE: | | | |
| 12 21 2011 | | AARON M MCWILLIAMS | | | | 05123341230000 | | New Well | | | |
| DISTRICT | | BRIGHTON | | JOB DEPTH(ft) | | WELL CLASS: | | GAS USED ON JOB: | | | |
| | | | | 8.181 | | Gas | | No Gas | | | |
| WELL NAME AND NUMBER | | MARGIL 34BD | | TD WELL DEPTH(ft) | | 8.210 | | JOB TYPE CODE: | | Long String | |
| WELL LOCATION : | | LEGAL DESCRIPTION | | COUNTY/PARISH | | STATE | | JOB TYPE CODE: | | | |
| | | 34-4N-68W | | Weld | | Colorado | | | | | |
| PRODUCT CODE | DESCRIPTION | | UNIT OF MEASURE | QUANTITY | LIST PRICE UNIT | GROSS AMOUNT | % DISC. | NET AMOUNT | | | |
| 100021 | Class G Cement | | sacks | 150 | 29.700 | 4,455.00 | 58% | 1,871.10 | | | |
| 100112 | Calcium Chloride | | lbs | 250 | 1.220 | 305.00 | 100% | 0.00 | | | |
| 100120 | Bentonite | | lbs | 2518 | 0.500 | 1,259.00 | 58% | 528.78 | | | |
| 100121 | Silica Flour | | lbs | 5040 | 0.530 | 2,671.20 | 58% | 1,121.90 | | | |
| 100275 | Sodium Metasilicate | | lbs | 26 | 3.900 | 101.40 | 58% | 42.59 | | | |
| 100295 | Cello Flake | | lbs | 169 | 4.850 | 819.65 | 58% | 344.25 | | | |
| 100317 | Poz (Fly Ash) | | sacks | 150 | 13.200 | 1,980.00 | 58% | 831.60 | | | |
| 100404 | Sodium Chloride | | lbs | 150 | 0.490 | 73.50 | 100% | 0.00 | | | |
| 398108 | Mud Clean II | | gals | 840 | 1.610 | 1,352.40 | 58% | 568.01 | | | |
| 398224 | Premium Lite Cement | | sacks | 675 | 24.050 | 16,233.75 | 58% | 6,818.18 | | | |
| 488019 | FP-6L | | gals | 8 | 99.250 | 794.00 | 58% | 333.48 | | | |
| 499702 | ClayCare, Clay Treat-2C, 260 gl tote | | gals | 6 | 140.000 | 840.00 | 58% | 352.80 | | | |
| 499767 | FL-63 | | lbs | 336 | 68.500 | 23,016.00 | 84.31% | 3,611.21 | | | |
| SUB-TOTAL FOR Product Material | | | | | | 53,900.90 | 69.53% | 16,423.90 | | | |
| ARRIVE LOCATION : | | MO. DAY YEAR | | TIME | | SERVICE ORDER: I AUTHORIZE WORK TO BEGIN PER SERVICE INSTRUCTIONS IN ACCORDANCE WITH THE TERMS AND CONDITIONS PRINTED ON THE LAST PAGE OF THIS FORM AND REPRESENT THAT I HAVE AUTHORITY TO ACCEPT AND SIGN THIS ORDER. | | | | | |
| 12 21 2011 | | 22:50 | | | | | | | | | |
| CUSTOMER REP. | | Peter Wilson | | SERVICE RECEIPT: I CERTIFY THAT THE MATERIALS AND SERVICES LISTED WERE RECEIVED AND ALL SERVICES PERFORMED IN A WORKMANLIKE MANNER. | | CUSTOMER AUTHORIZED AGENT | | | | | |
| SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS | | | | CUSTOMER AUTHORIZED AGENT | | BHI APPROVED | | | | | |
| | | | | | | | | | | | |



FIELD RECEIPT NO. 1001876151

| CUSTOMER | | SYNERGY RESOURCES CORP | | CREDIT APPROVAL NO. | | PURCHASE ORDER NO. | | CUSTOMER NUMBER | | INVOICE NUMBER | |
|--|--|---------------------------|----------|---------------------|-------------------|--------------------|------------|------------------|--|----------------|--|
| MAIL | | STREET OR BOX NUMBER | | CITY | | STATE | | ZIP CODE | | | |
| INVOICE TO | | 20203 HWY 60 PO BOX 80651 | | Platteville | | Colorado | | 80651 | | | |
| DATE WORK COMPLETED | | MO. | DAY | YEAR | BH REPRESENTATIVE | WELL API NO: | | WELL TYPE: | | | |
| 12 | | 21 | 2011 | AARON M MCWILLIAMS | 05123341230000 | | New Well | | | | |
| DISTRICT | | BRIGHTON | | JOB DEPTH(ft) | | 8.181 | | WELL CLASS: | | Gas | |
| WELL NAME AND NUMBER | | MARGIL 34BD | | TD WELL DEPTH(ft) | | 8.210 | | GAS USED ON JOB: | | No Gas | |
| WELL | | LEGAL DESCRIPTION | | COUNTY/PARISH | | STATE | | JOB TYPE CODE: | | Long String | |
| LOCATION : | | 34-4N-68W | | Weld | | Colorado | | | | | |
| PRODUCT CODE | DESCRIPTION | UNIT OF MEASURE | QUANTITY | LIST PRICE UNIT | GROSS AMOUNT | % DISC. | NET AMOUNT | | | | |
| A152 | Personnel Per Diem Chrg - Cement Svc | ea | 1 | 161.500 | 161.50 | 0% | 161.50 | | | | |
| M100 | Bulk Materials Service Charge | cu ft | 1129 | 4.170 | 4,707.93 | 58% | 1,977.33 | | | | |
| SUB-TOTAL FOR Service Charges | | | | | 4,869.43 | 56.08% | 2,138.83 | | | | |
| F069A | Cement Pumping, 8001 - 9000 ft | 6hrs | 1 | 9,125.000 | 9,125.00 | 58% | 3,832.50 | | | | |
| F090 | Fuel per pump charge - cement | pump/hr | 4 | 61.000 | 244.00 | 0% | 244.00 | | | | |
| J050 | Cement Head | job | 1 | 635.000 | 635.00 | 58% | 266.70 | | | | |
| J225 | Data Acquisition, Cement, Standard | job | 1 | 1,635.000 | 1,635.00 | 58% | 686.70 | | | | |
| J390 | Mileage, Heavy Vehicle | miles | 58 | 9.100 | 527.80 | 58% | 221.68 | | | | |
| J391 | Mileage, Auto, Pick-Up or Treating Van | miles | 58 | 5.150 | 298.70 | 58% | 125.45 | | | | |
| SUB-TOTAL FOR Equipment | | | | | 12,465.50 | 56.86% | 5,377.03 | | | | |
| J401 | Bulk Delivery, Dry Products | ton-mi | 1343 | 3.030 | 4,069.29 | 58% | 1,709.10 | | | | |
| SUB-TOTAL FOR Freight/Delivery Charges | | | | | 4,069.29 | 58.00% | 1,709.10 | | | | |
| FIELD ESTIMATE | | | | | 75,305.12 | 65.94% | 25,648.86 | | | | |

SERVICE ORDER: I AUTHORIZE WORK TO BEGIN PER SERVICE INSTRUCTIONS IN ACCORDANCE WITH THE TERMS AND CONDITIONS PRINTED ON THE LAST PAGE OF THIS FORM AND REPRESENT THAT I HAVE AUTHORITY TO ACCEPT AND SIGN THIS ORDER.

SEE LAST PAGE FOR GENERAL TERMS AND CONDITIONS

CUSTOMER AUTHORIZED AGENT

SERVICE RECEIPT: I CERTIFY THAT THE MATERIALS AND SERVICES LISTED WERE RECEIVED AND ALL SERVICES PERFORMED IN A WORKMANLIKE MANNER.

CUSTOMER AUTHORIZED AGENT

BH APPROVED