

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



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| DE | ET | OE | ES |
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APPLICATION FOR PERMIT TO:

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

2. TYPE OF WELL

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

Document Number:

400051027

Plugging Bond Surety

20090043

3. Name of Operator: SYNERGY RESOURCES CORPORATION4. COGCC Operator Number: 103115. Address: 20203 HIGHWAY 60City: PLATTEVILLE State: CO Zip: 806516. Contact Name: Rhonda Sandquist Phone: (970)737-1073 Fax: (970)737-1045Email: pm3rsandquist@aol.com7. Well Name: SRC M&T Farms Well Number: 10XD

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

9. Proposed Total Measured Depth: 7320

WELL LOCATION INFORMATION

10. QtrQtr: SWSE Sec: 10 Twp: 6N Rng: 65W Meridian: 6Latitude: 40.495287 Longitude: -104.647110
 Footage at Surface: 620 FNL/FSL FSL 1964 FEL/FWL FEL
11. Field Name: Wattenberg Field Number: 9075012. Ground Elevation: 4746 13. County: WELD

14. GPS Data:

Date of Measurement: 01/19/2010 PDOP Reading: 1.6 Instrument Operator's Name: John C. Barickman15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**
 Footage at Top of Prod Zone: FNL/FSL 1353 FSL 50 FEL/FWL 1353 FSL 50 FEL/FWL FEL
 Sec: 10 Twp: 6N Rng: 65W Sec: 10 Twp: 6N Rng: 65W
16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 530 ft18. Distance to nearest property line: 361 ft 19. Distance to nearest well permitted/completed in the same formation: 1825 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 | E/2,SE/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#: 20090044

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 Bon ☐ \$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):
SE/4 - Sec 10, T6N, R65W

25. Distance to Nearest Mineral Lease Line: 645 ft 26. Total Acres in Lease: 160

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 27 or 28 are yes, is this location in a sensitive area (Rule 903)? ☐ Yes ☐ No If 28, 29, or 30 are "Yes" a pit permit may be required.

31. Mud disposal: ☒ Offsite ☐ Onsite

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 | Weight Per Foot | Setting Depth | Sacks Cement | Cement Bottom | Cement Top |
|-------------|--------------|----------------|-----------------|---------------|--------------|---------------|------------|
| SURF | 12+1/4 | 8+5/8 | 24 | 520 | 300 | 520 | 0 |
| 1ST | 7+7/8 | 4+1/2 | 11.6 | 7,320 | 220 | 7,320 | 200 |

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

33. Comments No Conductive Surface Casing Will Be Used

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: _____ Email: craigrasmuson@comcast.net

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: _____ Director of COGCC Date: _____

API NUMBER 05 Permit Number: _____ Expiration Date: _____

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.

Attachment Check List

| Att Doc Num | Name | Doc Description |
|-------------|------------------------|---|
| 400057335 | MULTI-WELL PLAN | M & T Farms-Multiple Well Pad Drawing.pdf |
| 400057336 | SURFACE OWNER CONSENT | SRC M&T Farms 10XD-Surface Owner Notification-Consultation Waiver.pdf |
| 400057337 | ACCESS ROAD MAP | Baseline Access Road Map-M & T Farms 10XD.pdf |
| 400057338 | OIL & GAS LEASE | M & T Farms O & G Lease.pdf |
| 400057340 | WELL LOCATION PLAT | M & T Farms 10XD-Well Location Survey.pdf |
| 400057341 | PROPOSED SPACING UNIT | 318A Proposed Spacing Unit Plan M & T Farms 10XD.pdf |
| 400057355 | PROPOSED SPACING UNIT | SRC M&T Farms 10XD-.Proposed 160 Acre Spacing Unit Map.pdf |
| 400057356 | DEVIATED DRILLING PLAN | Ensign-SynergyM&TFarms10XDPlan#13-3-10.pdf |

Total Attach: 8 Files