

**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:  
400172326

Plugging Bond Surety  
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: Rhonda Sandquist      Phone: (970)737-1073      Fax: (970)737-1045  
Email: rsandquist@syrginfo.com

7. Well Name: Margil      Well Number: 34A

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

9. Proposed Total Measured Depth: 8300

**WELL LOCATION INFORMATION**

10. QtrQtr: NWNW      Sec: 34      Twp: 4N      Rng: 68W      Meridian: 6  
Latitude: 40.273499      Longitude: -104.994301

Footage at Surface:      1304 feet      FNL      1221 feet      FWL

11. Field Name: Wattenberg      Field Number: 90750

12. Ground Elevation: 5105      13. County: WELD

14. GPS Data:  
Date of Measurement: 04/21/2011      PDOP Reading: 0.7      Instrument Operator's Name: Joseph W. Stice III

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

1304      FNL      1221      FWL      1304      FNL      1221      FWL

Sec: 34      Twp: 4N      Rng: 68W      Sec: 34      Twp: 4N      Rng: 68W

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: 1221 ft

18. Distance to nearest property line: 1221 ft      19. Distance to nearest well permitted/completed in the same formation: 930 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.)
Dakota	DKTA	499-15	320	W2
J-Sand	JSND	232-23	320	W2
Niobrara/Codell	NB-CD	407-87	80	N2NW4

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):

25. Distance to Nearest Mineral Lease Line: 1221 ft 26. Total Acres in Lease: 640

### 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	650	400	650	0
1ST	7+7/8	4+1/2	10.5#	650	8,300	550	8,300	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: 6/7/2011 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: \_\_\_\_\_ Director of COGCC Date: \_\_\_\_\_

<b>API NUMBER</b>
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
400172326	FORM 2 SUBMITTED
400172374	OIL & GAS LEASE
400172381	MULTI-WELL PLAN
400172388	HYDROLOGY MAP
400172391	LOCATION DRAWING
400172392	LOCATION PICTURES
400172395	WELL LOCATION PLAT
400172399	ACCESS ROAD MAP
400173118	OTHER

Total Attach: 9 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

### BMP

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

Total: 0 comment(s)