

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		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:25%;">DE</td> <td style="width:25%;">ET</td> <td style="width:25%;">OE</td> <td style="width:25%;">ES</td> </tr> </table>	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:
 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/FSL FNL 1221 feet FEL/FWL 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
 _____ _____ _____ _____ _____
 Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

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: 1203 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

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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	0	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: casmuson@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 S. Neslin Director of COGCC Date: 6/30/2011

API NUMBER
05 123 33831 00

Permit Number: _____ Expiration Date: 6/29/2013

CONDITIONS OF APPROVAL, IF ANY:

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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.

- 1) Provide 24 hour notice of MIRU to Bo Brown at e-mail bo.brown@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
1771319	SURFACE CASING CHECK
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: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Changed line 17 "Distance to nearest" from property line 1221' to road 1203' per location drawing.	6/16/2011 9:38:51 AM
Engineer	Removed directional bottom hole info. Not necessary - vertical well.	6/13/2011 7:17:55 AM
Permit	Permission from Opr-Rhonda to add the plugging bond and remove the location ID. Back to draft for the attachment "Other" to be reattached to open. sf	6/8/2011 11:45:40 AM

Total: 3 comment(s)

BMP

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

Total: 0 comment(s)