

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:
400188227

PluggingBond SuretyID
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: Kori Thoren Phone: (970)737-1073 Fax: (970)737-1045
Email: kthoren@syrginfo.com

7. Well Name: SRC Aims Well Number: 43-10D

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

9. Proposed Total Measured Depth: 8008

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 10 Twp: 5N Rng: 66W Meridian: 6
Latitude: 40.413620 Longitude: -104.759150

Footage at Surface: 2451 feet FSL 795 feet FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4858 13. County: WELD

14. GPS Data:
Date of Measurement: 09/14/2011 PDOP Reading: 1.5 Instrument Operator's Name: Michael Dilka

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

1976 FSL 660 FEL 1976 FSL 660 FEL

Sec: 10 Twp: 5N Rng: 66W Sec: 10 Twp: 5N Rng: 66W

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: 171 ft

18. Distance to nearest property line: 181 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 940 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.)
J-Sand	JSND		320	E/2
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#: _____

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):

NESE Sec. 10, T5N - R66W

25. Distance to Nearest Mineral Lease Line: 660 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 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	700	340	700	0
1ST	7+7/8	4+1/2	11.6	0	8,008	450	8,008	0

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

33. Comments No conductive surface casing will be used. the buildings to the East of the Eastern most Well Heads and equipment on this location is within the 350' requirement- however this building is a "shed" storing a lawnmower and other outdoor equipment trig height 104'.

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: 7/21/2011 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. Neslin Director of COGCC Date: 10/16/2011

API NUMBER
05 123 34531 00

Permit Number: _____ Expiration Date: 10/15/2013

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.

- 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.

Wellhead is 178' to the overhead power 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 178 feet or 118 feet.

Attachment Check List

Att Doc Num	Name
1694257	EXCEPTION LOC REQUEST
1694258	EXCEPTION LOC WAIVERS
1694259	LEGAL/LEASE DESCRIPTION
1694323	WELL LOCATION PLAT
1694432	WELL LOCATION PLAT
1694492	WELL LOCATION PLAT
1694493	DEVIATED DRILLING PLAN
2568647	SURFACE CASING CHECK
400188227	FORM 2 SUBMITTED
400188239	MULTI-WELL PLAN
400188240	WELL LOCATION PLAT
400188241	DEVIATED DRILLING PLAN
400188242	OIL & GAS LEASE

Total Attach: 13 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	10/13/2011 9:30:59 AM
Permit	Operator requests approval of a Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window and will be located more than 50' from an existing well location. Attached Exception Location Request and Waiver.	10/6/2011 2:36:37 PM
Permit	Received and attached new well plat and deviated drilling plan. Changed surface location to: 2451' FSL 795' FEL, Lat : 40.41362, Long : 104.75915, PDOP : 1.5, Nearest : Above GND Utility - 171', Property Line - 181'.	10/6/2011 2:25:31 PM
Permit	ON HOLD: Operator moved surface location and submitted corrected well location plat. Changed Surface Loc to: 2451' FSL 795' FEL, Lat : 40.41362, Long : 104.75915, PDOP : 1.5, Nearest : Above GND Utility - 171'. Requesting: Deviated drilling plan.	9/22/2011 4:32:22 PM
Permit	ON HOLD: Operator plans to move well pad. w/o updated documents.	8/30/2011 11:56:26 AM
Permit	Operator moved surface location 10' east to be 150' from powerline. Changed surface footage & lat/long and attached new well plat.	8/23/2011 10:26:45 AM
Permit	ON HOLD: Attached lease map and corrected Exception Loc Request & waivers.	8/4/2011 10:04:21 AM
Permit	Requesting rig height, corrected Exception Loc Request ltr, separate doc for waivers, dollar amount removed from Warranty Deed. J Sand not spaced in T5N-R66W. Changed to 320, E/2 per operator.	3/1/2011 3:24:52 PM

Total: 8 comment(s)

BMP

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

Total: 0 comment(s)