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Document Number:
 400188262
 PluggingBond SuretyID
 20090043

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

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 GCC Well Number: 41-10D
 8. Unit Name (if appl): _____ Unit Number: _____
 9. Proposed Total Measured Depth: 8438

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 10 Twp: 5N Rng: 66W Meridian: 6
 Latitude: 40.413600 Longitude: -104.759100
 Footage at Surface: 2444 feet FNL/FSL 782 feet FEL/FWL FEL
 11. Field Name: Wattenberg Field Number: 90750
 12. Ground Elevation: 4858 13. County: WELD

14. GPS Data:
 Date of Measurement: 09/15/2011 PDOP Reading: 1.8 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 500 FNL 760 FEL FEL Bottom Hole: FNL/FSL 500 FNL 760 FEL 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: 178 ft
 18. Distance to nearest property line: 188 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 910 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/2NE4

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: 500 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	8,438	450	8,438	0

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

33. Comments No conductive surface casing will be used. 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. Rig 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 Rasmsuon

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 34533 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
1694263	LEASE MAP
1694264	EXCEPTION LOC REQUEST
1694265	EXCEPTION LOC WAIVERS
1694325	WELL LOCATION PLAT
1694488	WELL LOCATION PLAT
1694489	DEVIATED DRILLING PLAN
2568647	SURFACE CASING CHECK
400188262	FORM 2 SUBMITTED
400188273	MULTI-WELL PLAN
400188274	WELL LOCATION PLAT
400188275	DEVIATED DRILLING PLAN
400188276	OIL & GAS LEASE

Total Attach: 12 Files

General Comments

User Group	Comment	Comment Date
Permit	Final Review Completed. No LGD or public comment received.	10/13/2011 9:52:06 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.	10/7/2011 10:58:39 AM
Permit	Operator moved surface location and submitted corrected well location plat and deviated drilling plan. Changed Surface Loc to: 2444' FSL 782' FEL, Lat : 10.41360, Long : 104.75910, PDOP : 1.8, Nearest : Above GND Utility - 178', Property Line - 188'.	10/7/2011 10:32:17 AM
Permit	ON HOLD: Operator plans to move well pad. w/o updated documents.	8/30/2011 11:57:03 AM
Permit	Operator moved surface location 10' east to be 150' from powerline. corrected surface footage & lat/long and attached new well plat. Requesting: Deviated drilling plan.	8/23/2011 11:13:21 AM
Permit	ON HOLD: Rig Height 104'. requesting a 502.b. variance letter. Attached lease map and corrected Exception Loc Request & waivers.	8/4/2011 10:05:15 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.	3/2/2011 9:20:03 AM

Total: 7 comment(s)

BMP

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

Total: 0 comment(s)