

FORM
2

Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400303087

Date Received:

07/06/2012

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: Brianne Visconti Phone: (970)737-1073 Fax: (970)737-1045

Email: bvisconti@syrginfo.com

7. Well Name: Olson Well Number: 42-3D

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

9. Proposed Total Measured Depth: 8189

WELL LOCATION INFORMATION

10. QtrQtr: NENE Sec: 3 Twp: 3N Rng: 68W Meridian: 6

Latitude: 40.260483 Longitude: -104.982656

Footage at Surface: 784 feet FNL 778 feet FEL

11. Field Name: WATTENBERG Field Number: 90750

12. Ground Elevation: 5041 13. County: WELD

14. GPS Data:

Date of Measurement: 06/26/2012 PDOP Reading: 1.2 Instrument Operator's Name: AARON A DEMO

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: 2034 FNL 652 FEL 2034 FNL 652 FEL
Sec: 3 Twp: 3N Rng: 68W Sec: 3 Twp: 3N 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: 638 ft

18. Distance to nearest property line: 264 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 970 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.)
J-SAND	JSND	232-23	320	N/2
NIOBRARA/CODELL	NB-CD	407-87	80	N/2NE/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):

NENE SEC.3, T3N, R68W

25. Distance to Nearest Mineral Lease Line: 652 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	970	400	970	0
1ST	7+7/8	4+1/2	10.5	0	8,189	550	8,189	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: VP OPERATIONS

Date: 7/6/2012

Email: CRASMUSON@SYRGINFO.C

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

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: 7/31/2012

API NUMBER

05 123 35921 00

Permit Number: _____ Expiration Date: 7/30/2014

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) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 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.

Operator must meet water well testing requirements per Rule 318A.

Attachment Check List

Att Doc Num	Name
400303087	FORM 2 SUBMITTED
400303088	DIRECTIONAL DATA
400303089	WELL LOCATION PLAT
400303091	MULTI-WELL PLAN
400303110	DEVIATED DRILLING PLAN

Total Attach: 5 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	7/30/2012 2:25:32 PM
Permit	Changed property line from 273' to 264' per operator. Changed High Density from no to yes. ok to pass.	7/12/2012 4:22:12 PM
Permit	ON HOLD: requesting confirmation that well is High Density. Confirmation of property line.	7/12/2012 11:29:52 AM
Permit	Deviated drilling plan attached and corrections to BHL made.	7/6/2012 12:40:38 PM
Permit	Returned to draft. BHL does not match plat. Needs deviated drilling plan.	7/6/2012 11:49:16 AM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)