

**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: Phelps Well Number: 11-32CHZ

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

9. Proposed Total Measured Depth: 12350

**WELL LOCATION INFORMATION**

10. QtrQtr: SENE Sec: 32 Twp: 1N Rng: 66W Meridian: 6  
Latitude: 40.010070 Longitude: -104.792453

Footage at Surface: \_\_\_\_\_ feet FNL/FSL \_\_\_\_\_ feet FEL/FWL \_\_\_\_\_ feet  
FNL \_\_\_\_\_ 274 feet FEL \_\_\_\_\_

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 5018 13. County: WELD

14. GPS Data:  
Date of Measurement: 05/22/2013 PDOP Reading: 1.3 Instrument Operator's Name: Aaron Demo

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 \_\_\_\_\_  
664 FNL 571 FEL 662 FNL 460 FWL  
Sec: 32 Twp: 1N Rng: 66W Sec: 32 Twp: 1N 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: 814 ft  
18. Distance to nearest property line: 274 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 660 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.)
CODELL	CODL		320	GWA

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):  
 75 acres in the S/2NE/4 and other leases. See attached map. - Wellbore crosses lease lines within drilling and spacing unit; distance to nearest lease line is 0 feet; distance to Unit boundary is 460'.  
 25. Distance to Nearest Mineral Lease Line: 0 ft                      26. Total Acres in Lease: 75

**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	9+5/8	36	0	1,180	390	1,180	0
1ST	8+3/4	7	26	0	7,970	730	7,970	
1ST LINER	6+1/8	4+1/2	11.6	7150	12,350			

32. BOP Equipment Type:     Annular Preventer     Double Ram     Rotating Head     None  
 33. Comments    o Conductor casing will not be used. o Operator request an exception location per rule 318 A.a. Request letter and waiver are attached. o Operator requests the proposed spacing unit: 320 Acres, N/2 of Section 32.

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: 5/29/2013                      Email: crasmuson@syrginfo.com

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: *Matthew Lee*                      Director of COGCC                      Date: 7/13/2013

**API NUMBER**  
 05 123 37684 00                      Permit Number: \_\_\_\_\_                      Expiration Date: 7/12/2015

**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.**

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

Evaluated offset wells for adequate isolation.

- 1)Note surface casing setting depth change from 1150' to 1180'. Increase cement coverage accordingly and cement to surface.
- 2)Provide notice of MIRU via an electronic Form 42.
- 3)Comply with Rule 317.i and provide cement coverage to a minimum of 200' above the Niobrara. Verify cement coverage with a cement bond log per 317.o.

**Applicable Policies and Notices to Operators**

Notice Concerning Operating Requirements for Wildlife Protection.

Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area.

**Attachment Check List**

Att Doc Num	Name
2114109	MINERAL LEASE MAP
400425574	FORM 2 SUBMITTED
400425624	DIRECTIONAL DATA
400425629	PROPOSED SPACING UNIT
400425632	PLAT
400425634	DEVIATED DRILLING PLAN
400425636	OFFSET WELL EVALUATION
400425637	EXCEPTION LOC REQUEST
400425639	EXCEPTION LOC WAIVERS
400425641	VARIANCE REQUEST

Total Attach: 10 Files

**General Comments**

<b><u>User Group</u></b>	<b><u>Comment</u></b>	<b><u>Comment Date</u></b>
Permit	Attached map showing 75 acre lease beneath the surface location. Amended comments line 23. Ready to pass pending public comment.	6/11/2013 3:01:03 PM
Permit	Removed unnecessary Variance Request. Corrected TPZ to 571 FEL. Ok'd by operator. WO lease description or map.	3/6/2013 7:42:39 AM

Total: 2 comment(s)

**BMP**

<b><u>Type</u></b>	<b><u>Comment</u></b>
Drilling/Completion Operations	Anti-collision: Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5.
Drilling/Completion Operations	Operator will comply with COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.

Total: 2 comment(s)