

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



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Date Received:

07/31/2013

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@syrinfo.com

7. Well Name: Gilbert Well Number: 12-14-11NHZ

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

9. Proposed Total Measured Depth: 12509

WELL LOCATION INFORMATION

10. QtrQtr: NWSE Sec: 14 Twp: 5N Rng: 66W Meridian: 6

Latitude: 40.399026 Longitude: -104.743422

Footage at Surface: 2481 feet FNL/FSL 2357 feet FEL/FWL FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4837 13. County: WELD

14. GPS Data:

Date of Measurement: 07/16/2013 PDOP Reading: 1.0 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
2539 FNL 731 FWL 2211 FSL 739 FWL
Sec: 14 Twp: 5N Rng: 66W Sec: 11 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: 419 ft

18. Distance to nearest property line: 165 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 1620 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.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| NIOBRARA | NBRR | | 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):

Part of the NWSE/4 of Section 14, 5N, 66W and other lands lease map attached - Wellbore crosses lease lines within drilling and spacing unit; distance to nearest lease line is 0 feet; distance to Unit boundary is greater than 460'.

25. Distance to Nearest Mineral Lease Line: 0 ft 26. Total Acres in Lease: 11

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 | 200 | 660 | 200 | 0 |
| 1ST | 8+5/8 | 7 | 26 | 0 | 8,424 | 130 | 8,424 | |
| 1ST LINER | 6+1/8 | 4+1/2 | 13.5 | 7299 | 12,509 | | | |

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, NW/4 of Section 14 and the SW/4 Section of 11, 5N, 66W.

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 Operation Date: 7/31/2013 Email: crasmuson@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: _____ Director of COGCC Date: _____

API NUMBER

05

Permit Number: _____ Expiration Date: _____

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.

Data retrieval failed for the subreport 'IntPolicy_NTO' located at: W:\Instrub\Net\Reports\policy_nto.rdl. Please check th

Attachment Check List

| Att Doc Num | Name |
|-------------|------------------------|
| 400461141 | DIRECTIONAL DATA |
| 400461143 | PROPOSED SPACING UNIT |
| 400461144 | WELL LOCATION PLAT |
| 400461146 | DEVIATED DRILLING PLAN |
| 400461148 | LEASE MAP |
| 400461150 | SURFACE AGRMT/SURETY |
| 400461151 | EXCEPTION LOC REQUEST |
| 400461152 | EXCEPTION LOC WAIVERS |
| 400461327 | OFFSET WELL EVALUATION |
| 400462303 | LEASE MAP |

Total Attach: 10 Files

General Comments

| User Group | Comment | Comment Date |
|-------------------|---|-------------------------|
| Permit | Returned to draft: Permit must have one lease that is within the proposed spacing unit. | 8/1/2013 12:03:50 PM |

Total: 1 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|--------------------------------|---|
| 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)