

FORM
2

Rev
12/05

State of Colorado Oil and Gas Conservation Commission

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Document Number:

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Date Received:

05/29/2013

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@syrginfo.com

7. Well Name: Phelps Well Number: 13-32CHZ

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

9. Proposed Total Measured Depth: 12410

WELL LOCATION INFORMATION

10. QtrQtr: SENE Sec: 32 Twp: 1N Rng: 66W Meridian: 6

Latitude: 40.009995 Longitude: -104.792532

Footage at Surface: 1804 feet FNL 296 feet FEL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 5019 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 _____
1984 FSL 573 FEL 1980 FSL 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

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.)
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):

115 acres in the SW/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: 115

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	1180	390	1180	0
1ST	8+3/4	7	26	0	8041	730	8041	
1ST LINER	6+1/8	4+1/2	11.6	7220	12410			

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

33. Comments Conductor casing will not be used. Operator request an exception location per rule 318 A.a. Request letter and waiver are attached. Operator requests the proposed spacing unit: 320 Acres, S/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@syrinfo.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: 8/23/2013

API NUMBER 05 123 37873 00	Permit Number: _____	Expiration Date: <u>8/22/2015</u>
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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.

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

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
2114118	MINERAL LEASE MAP
2114242	SURFACE AGRMT/SURETY
2482411	SURFACE CASING CHECK
400425896	FORM 2 SUBMITTED
400425907	DIRECTIONAL DATA
400425910	PROPOSED SPACING UNIT
400425912	PLAT
400425913	DEVIATED DRILLING PLAN
400425916	OFFSET WELL EVALUATION
400425917	EXCEPTION LOC REQUEST
400425919	EXCEPTION LOC WAIVERS

Total Attach: 11 Files

General Comments

User Group	Comment	Comment Date
Permit	Attached SUA. Ready to pass.	8/16/2013 12:42:05 PM
Permit	Attached map showing 115 acre lease in SW/4. Proposed Spacing Unit does not include the lease beneath the Surface Location. WO Surface Use Agreement. Amended comments in line 23.	6/11/2013 3:38:42 PM
Permit	Waiting on mineral lease description or map that describes lease. Corrected TPZ to 573 FEL. Ok'd by operator.	5/6/2013 1:23:22 PM
Engineer	Evaluated offset wells for adequate isolation.	5/3/2013 1:53:59 PM

Total: 4 comment(s)

Best Management Practices

No	BMP/COA Type	Description
1	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.
2	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.

Total: 2 comment(s)