

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:

400426662

Date Received:

06/03/2013

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: Kelly Farms Well Number: 21-4-3NHZ

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

9. Proposed Total Measured Depth: 12623

WELL LOCATION INFORMATION

10. QtrQtr: SENW Sec: 4 Twp: 5N Rng: 66W Meridian: 6

Latitude: 40.431788

Longitude: -104.784662

			FNL/FSL			FEL/FWL
Footage at Surface:	2034	feet	FNL	2342	feet	FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4752 13. County: WELD

- #### 14. GPS Data:

Date of Measurement: 05/16/2013 PDOP Reading: 1.2 Instrument Operator's Name: Aaron Demo

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

Footage at Top of Prod Zone:				Bottom Hole:			
FNL/FSL		FEL/FWL		FNL/FSL		FEL/FWL	
531	FNL	2658	FWL	530	FNL	2165	FWL
Sec: 4	Twp: 5N	Rng: 66W		Sec: 3	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: 242 ft

18. Distance to nearest property line: 226 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 320 ft

LEASE, SPACING AND POOLING INFORMATION

<u>Objective Formation(s)</u>	<u>Formation Code</u>	<u>Spacing Order Number(s)</u>	<u>Unit Acreage Assigned to Well</u>	<u>Unit Configuration (N/2, SE/4, etc.)</u>
NIOBRARA	NBRR		400	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):

See attached lease map. - 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: 15

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	1200	660	1200	0
1ST	8+3/4	7	26	0	7677	125	7677	
1ST LINER	6+1/8	4+1/2	13.5	6552	12623			

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, E/2 of the NW/4 Section of 4, NE/4 of Section 4, NW/4 of Section 3, 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 Operations

Date: 6/3/2013

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: 9/26/2013

API NUMBER

05 123 38137 00

Permit Number: _____ Expiration Date: 9/25/2015

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.

Description

1)Provide notice of MIRU via an electronic Form 42.
2)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

<u>Att Doc Num</u>	<u>Name</u>
2114120	OFFSET WELL EVALUATION
2114179	SURFACE AGRMT/SURETY
2114180	MINERAL LEASE MAP
2482419	SURFACE CASING CHECK
400426662	FORM 2 SUBMITTED
400426676	DIRECTIONAL DATA
400426678	PROPOSED SPACING UNIT
400426681	PLAT
400426682	DEVIATED DRILLING PLAN
400426685	EXCEPTION LOC REQUEST
400426686	EXCEPTION LOC WAIVERS
400427861	EXCEPTION LOC WAIVERS
400427863	EXCEPTION LOC REQUEST

Total Attach: 13 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Operator submitted lease map and SUA. Surface owner is mineral owner and participating in the Proposed Spacing Unit. Corrected acreage to 15. Ready to pass.	7/17/2013 10:34:24 AM
Permit	Operator submitted lease map and SUA. Surface owner is mineral owner and in the Proposed Spacing Unit. Ready to pass.	7/17/2013 10:11:10 AM
Engineer	Evaluated offset wells for adequate isolation.	6/17/2013 8:42:42 AM
Permit	Attached corrected Offset Well Evaluation spreadsheet.	6/11/2013 4:13:15 PM
Permit	Offset Well Evaluation missing Northridge 21-4D The PSU is described where the lease description should be. Asker operator to describe one lease or submit map.	6/11/2013 11:35:09 AM
Permit	This form has passed completeness.	6/4/2013 11:30:28 AM

Total: 6 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)