

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:

400407814

Date Received:

07/12/2013

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: SRC Leffler Well Number: P-26CHZ

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

9. Proposed Total Measured Depth: 12185

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 26 Twp: 7N Rng: 66W Meridian: 6

Latitude: 40.552830 Longitude: -104.750398

Footage at Surface: 210 feet FNL/FSL 1077 feet FEL/FWL
 FNL FWL

11. Field Name: Wattenberg Field Number: 90750

12. Ground Elevation: 4900 13. County: WELD

14. GPS Data:

Date of Measurement: 03/14/2013 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: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
 460 FNL 2490 FWL 460 FSL 2486 FWL
 Sec: 26 Twp: 7N Rng: 66W Sec: 26 Twp: 7N 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: 182 ft

18. Distance to nearest property line: 210 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 580 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 ☐ Indian23. 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 ☐ No23b. 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 W/2 SEC 26 T7N R66W 6PM, 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 460'.

25. Distance to Nearest Mineral Lease Line: 0 ft

26. Total Acres in Lease: 295

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	540	160	540	0
1ST	8+5/8	7+0/0	26	0	7837	730	7837	
1ST LINER	6+1/8	4+1/2	11.6	7070	12197			

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/2W/2 and W/2E/2 of Section 26, T7N, R66W

34. Location ID: 433335

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: 7/12/2013

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: _____

Director of COGCC

Date: 10/9/2013

API NUMBER

05 123 38283 00

Permit Number: _____ Expiration Date: 10/8/2015

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) Note surface casing setting depth change from 500' to 540'. Increase cement coverage accordingly.
- 2) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 3) Comply with Rule 317.i and provide cement coverage from end of 7" casing to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 4) Run and submit Directional Survey from TD to base of surface casing. The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Above ground utility closer than 200'. Rig height cannot exceed 108'.

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
2114316	WELL LOCATION PLAT
400407814	FORM 2 SUBMITTED
400411017	30 DAY NOTICE LETTER
400411018	EXCEPTION LOC REQUEST
400411019	OIL & GAS LEASE
400411020	EXCEPTION LOC WAIVERS
400429723	DEVIATED DRILLING PLAN
400446363	WAIVERS
400447736	PROPOSED SPACING UNIT
400456324	LEASE MAP
400456327	OFFSET WELL EVALUATION

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Revised distance to nearest utility. Corrected GPS data to reflect new SHL location. OFF HOLD - questions resolved.	10/7/2013 9:35:45 AM
Final Review	ON HOLD - surface location, distance to power line, and rig height questions	10/4/2013 7:42:05 AM
Permit	Received and attached new well location plat. Changed SHL and distance to property line to match plat. Ready to pass.	10/2/2013 8:13:16 AM
Permit	On hold for new plat. Surface location was moved 20' to avoid above ground utility.	8/6/2013 11:14:45 AM
Permit	Corrected Total Depth to 12185 to match Deviated Drilling Plan/directional data. Ok'd by opr. Corrected Objective formation to Codell. Ok'd by opr. TPZ is 426 from northern boundary of PSU. Notified operator. Ready to pass pending public comment.	7/29/2013 7:57:41 AM
Permit	Passed completeness	7/26/2013 12:11:59 PM
Permit	returned the subject application to draft for the following: Please Add: Location ID #. Remove Location Drawing. Confirm Total Gross acres. Attach Offset well spreadsheet.	7/15/2013 1:14:11 PM

Total: 7 comment(s)

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
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)