

FORM
2

Rev
08/13

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:

400541228

APPLICATION FOR PERMIT TO:

☒ Drill ☐ Deepen ☐ Re-enter ☐ Recomplete and Operate

TYPE OF WELL OIL ☐ GAS ☒ COALBED ☐ OTHER _____

Refilling ☐

ZONE TYPE SINGLE ZONE ☒ MULTIPLE ZONES ☐ COMMINGLE ZONES ☐

Sidetrack ☐

Date Received:

01/24/2014

Well Name: Hawkstone

Well Number: 29-30DD

Name of Operator: SYNERGY RESOURCES CORPORATION

COGCC Operator Number: 10311

Address: 20203 HIGHWAY 60

City: PLATTEVILLE

State: CO

Zip: 80651

Contact Name: Brianne Visconti

Phone: (970)737-1073

Fax: (970)737-1045

Email: bvisconti@syrginfo.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20090043

WELL LOCATION INFORMATION

QtrQtr: SWSW Sec: 29 Twp: 7N Rng: 65W Meridian: 6

Latitude: 40.540614

Longitude: -104.695791

Footage at Surface: 684 feet FNL/FSL FSL 240 feet FEL/FWL FWL

Field Name: WATTENBERG

Field Number: 90750

Ground Elevation: 4883

County: WELD

GPS Data:

Date of Measurement: 12/09/2013 PDOP Reading: 1.4 Instrument Operator's Name: Aaron A. Demo

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

Footage at Top of Prod Zone: FNL/FSL FSL 1320 FSL 1314 FEL FEL 1320 FSL 1314 FEL
Sec: 30 Twp: 7N Rng: 65W Sec: 30 Twp: 7N Rng: 65W

LOCATION SURFACE & MINERALS & RIGHT TO CONSTRUCT

Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian

The Surface Owner is: ☒ is the mineral owner beneath the location.
(check all that apply) ☐ is committed to an Oil and Gas Lease.

☐ has signed the Oil and Gas Lease.

☐ is the applicant.

The Mineral Owner beneath this Oil and Gas Location is: ☒ Fee ☐ State ☐ Federal ☐ Indian

The Minerals beneath this Oil and Gas Location will be developed by this Well: No

The right to construct the Oil and Gas Location is granted by: Surface Use Agreement

Surface damage assurance if no agreement is in place: Surface Surety ID:

LEASE INFORMATION

Using standard QtrQtr, Sec, Twp, Rng format, describe one entire mineral lease that will be produced by this well (Describe lease beneath surface location if produced. Attach separate description page or map if necessary.)

Part of the SE/4 of Section 30, Township 7N, 65W totalling 4.644 acres, lease map attached. Leasehold is made up of multiple leases, Synergy holds 100% of the leasehold in the SE/4 of Section 30, Township 7N, 65W. Wellbore crosses lease lines.

Total Acres in Described Lease: 4 Described Mineral Lease is: ☒ Fee ☐ State ☐ Federal ☐ Indian

Federal or State Lease # _____

Distance from Completed Portion of Wellbore to Nearest Lease Line of described lease: 0 Feet

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 397 Feet

Building Unit: 501 Feet

High Occupancy Building Unit: 3135 Feet

Designated Outside Activity Area: 5280 Feet

Public Road: 211 Feet

Above Ground Utility: 251 Feet

Railroad: 5145 Feet

Property Line: 211 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of the Proposed Well to nearest of each cultural feature as described in Rule 303.a.(5).
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: ☒ Buffer Zone
☐ Exception Zone
☒ Urban Mitigation Area

- Buffer Zone – as described in Rule 604.a.(2), within 1,000' of a Building Unit
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: 02/14/2014

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: 12/24/2013

SPACING and UNIT INFORMATION

Distance from Completed Portion of Wellbore to Nearest Wellbore Permitted or Completed in the same formation: 1933 Feet

Distance from Completed Portion of Wellbore to Nearest Unit Boundary 1314 Feet (Enter 5280 for distance greater than 1 mile.)

Federal or State Unit Name (if appl): _____ Unit Number: _____

SPACING & FORMATIONS COMMENTS

Operator requests the proposed spacing unit: 160 Acres consisting of the SE/4 of Section 30, 7N, 65W.

OBJECTIVE FORMATIONS

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
CODELL	CODL		160	GWA

DRILLING PROGRAM

Proposed Total Measured Depth: 7639 Feet

Distance to nearest permitted or existing wellbore penetrating objective formation: 370 Feet (Including plugged wells)

Will a closed-loop drilling system be used? Yes

Is H₂S gas reasonably expected to be encountered during drilling operations at concentrations greater than or equal to 100 ppm? No (If Yes, attach an H₂S Drilling Operations Plan)

Will salt sections be encountered during drilling? No

Will salt based (>15,000 ppm Cl) drilling fluids be used? No

Will oil based drilling fluids be used? No

BOP Equipment Type: ☒ Annular Preventor ☒ Double Ram ☒ Rotating Head ☐ None

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 318A

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Methods: Other

Cuttings Disposal: OFFSITE Cuttings Disposal Method: Other

Other Disposal Description:

Land Farming

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: _____ or Document Number: _____

CASING PROGRAM

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	8+5/8	24	0	650	400	650	0
1ST	7+7/8	4+1/2	11.6	0	7639	550	7639	

☒ Conductor Casing is NOT planned

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)
- ☐ Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- ☐ Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- ☐ Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- ☐ Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

GREATER WATTENBERG AREA LOCATION EXCEPTIONS

Check all that apply:

- ☒ Rule 318A.a. Exception Location (GWA Windows).
- ☐ Rule 318A.c. Exception Location (GWA Twinning).

RULE 502.b VARIANCE REQUEST

☐ Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____


OTHER LOCATION EXCEPTIONS

Check all that apply:

- ☐ Rule 318.c. Exception Location from Rule or Spacing Order Number _____
- ☐ Rule 603.a.(2) Exception Location (Property Line Setback).

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments	
This application is in a Comprehensive Drilling Plan _____ CDP #: _____ Location ID: _____ Is this application being submitted with an Oil and Gas Location Assessment application? _____ Yes _____ I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete. Signed: _____ Print Name: <u>Brianne Visconti</u> Title: _____ Date: <u>1/24/2014</u> Email: <u>bvisconti@syrinfo.com</u>	
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: <u></u>	Director of COGCC Date: <u>3/3/2014</u> Expiration Date: <u>03/02/2016</u>
<div style="border: 1px solid black; width: 200px; margin: 0 auto; padding: 5px;"> API NUMBER 05 123 39048 00 </div>	

Conditions Of Approval

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.

<u>COA Type</u>	<u>Description</u>
	Operator shall comply with Buffer Zone Move-In, Rig-Up Notice Policy dated 12-16-2013.
	1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU. 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log. 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.
	Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged.

Best Management Practices

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

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2114508	WELL LOCATION PLAT
2114517	LGD WAIVER
2114520	EXCEPTION LOC REQUEST
400541228	FORM 2 SUBMITTED
400541279	DIRECTIONAL DATA
400541283	OTHER
400541284	DEVIATED DRILLING PLAN
400544724	SURFACE AGRMT/SURETY
400544736	PROPOSED SPACING UNIT
400544737	EXCEPTION LOC WAIVERS

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Corrected cultural distances to match 2A per operator, moving well out of Exception Zone. Unchecked Rule 604.a.(1)A box. Operator agrees with nearest well distances. Operator agrees with distance to unit boundary. Attached signed Exception Location Request letter. Ready to pass.	2/25/2014 3:52:32 PM
Permit	Attached LGD Waiver. Corrected Date of Buffer Zone Notification and added Date of Notification to LGD for UMA. Checked this location is in an Urban Mitigation Area box. Cultural Setbacks do not agree with 2A. Nearest well permitted/completed in the same formation is Wattenberg Drilling Fund LLP#4 at 1933'. Distance to the unit boundary is 1314'. Distance to nearest well penetrating formation is 370'. Exception Location Request needs signature.	2/24/2014 2:27:27 PM
Permit	Attached corrected well location plat. Corrected SHL footages and GPS values to match plat. This is in an Urban Mitigation Area. WO waiver from LGD.	2/13/2014 1:41:16 PM
Permit	Passed completeness.	1/27/2014 1:29:11 PM
Permit	Returned to draft: Top of Production Zone and BHL in Well Location tab don't match Well Location Plat and Deviated Drilling Plan.	1/27/2014 11:28:44 AM

Total: 5 comment(s)