

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO**

IN THE MATTER OF THE APPLICATION OF)	CAUSE NO. 407
SYNERGY RESOURCES CORPORATION FOR)	
AN ORDER TO POOL ALL INTERESTS WITHIN)	DOCKET NO. 1406-UP-____
AN APPROXIMATE 80-ACRE DRILLING AND)	
SPACING UNIT FOR SECTION 10, TOWNSHIP 5)	
NORTH, RANGE 66 WEST, 6 TH P.M., FOR THE)	
CODELL AND NIOBRARA FORMATIONS,)	
WATTENBERG FIELD, WELD COUNTY,)	
COLORADO		

VERIFIED APPLICATION

COMES NOW, Synergy Resources Corporation ("Synergy" or "Applicant") by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, and submits its Application to the Oil and Gas Conservation Commission of the State of Colorado, for an order pooling all interests in an approximate 80-acre drilling and spacing unit for production of oil, gas and associated hydrocarbons from the Codell and Niobrara Formations in certain lands in the Wattenberg Field, Weld County, Colorado, and in support states as follows:

1. Applicant is duly organized and authorized to conduct business in the State of Colorado.

2. Applicant owns leasehold interests in the following described lands in Weld County, Colorado, containing approximately 80-acres (hereinafter, the "Application Lands"):

Township 5 North, Range 66 West, 6th P.M.
Section 10: E $\frac{1}{2}$ SE $\frac{1}{4}$

3. On February 19, 1992, the Commission issued Order 407-87, which, among other things, established the Application Lands as an 80-acre drilling and spacing unit for production of oil, gas and assorted hydrocarbons from the Codell and Niobrara Formations.

4. Applicant has drilled and completed the SRC Aims #43-10D (API #05-123-34531) well (the "Well") on the Application Lands to the Codell and/or Niobrara Formations on an 80-acre unit composed of the Application Lands.

5. Applicant has been unable to obtain consent to voluntary pooling by all interest owners in the Application Lands. As a result, Applicant requests that all interests in the unit composed of the Application Lands be involuntarily pooled pursuant to C.R.S. §34-60-116, and consenting parties be allowed to recover from any

non-consenting owner's share of production the penalty costs provided in C.R.S. § 34-60-116 (7) of the Colorado Oil and Gas Conservation Act.

6. The names and addresses of those persons who own any interest in the mineral estate in the Application Lands, exclusive of overriding royalty interests, according to the information and belief of the Applicant are set forth on **Exhibit A**. Copies of this Verified Application shall be served on all such owners within seven (7) days of the date of this Application, as required by Commission Rule 503.e.

7. At least thirty (30) days prior to the hearing on this Application, the Applicant will have sent all owners listed on **Exhibit A**, who have not previously consented to lease or otherwise participate in the drilling and completion of the Well, an Authority for Expenditures (AFE) and/or supporting documents which contain all information required by Commission Rule 530.b., and in case of unleased mineral owners, an offer to lease which is reasonable based on the factors listed in Commission Rule 530.c. The Applicant shall also agree to first comply with the requirements of Rule 530.b and c with respect to any subsequent well in the pooled unit, prior to applying the cost recovery provisions of said statute.

8. Applicant anticipates that one or more of such owners will refuse or fail to respond to such offer to lease and/or to participate in the drilling, completion and operation of such Well, and shall be deemed non-consenting parties under Commission Rule 530.b and c.

9. An order of the Commission pooling all interests in the unit for production from the Codell and Niobrara Formations shall therefore be necessary in order to afford each owner of an interest in the unit the opportunity to recover and receive its just and equitable share of the oil and/or gas from the common source of supply underlying the unit.

10. The granting of the requested order would not be prejudicial to the owners in the unit and would protect correlative rights.

11. The requested pooling order should be effective as of the date that costs specified by C.R.S. §34-60-116(7)(b) were first incurred by Applicant for the drilling of either of the Well.

REQUEST FOR HEARING AND ORDER

WHEREFORE, Synergy prays that this matter be set for hearing on June 16 or 17, 2014, Notice of said Hearing be given as required by law, if no protests are timely received the matter be considered pursuant to Rule 511(b), and the Commission enter an Order pooling all interests in the Application Lands with respect to production of the Codell and Niobrara formations and that such pooling Order:

(1) be upon terms and conditions which are just and reasonable and afford to the owner of each interest the opportunity to recover or receive, without unnecessary expense, his just and equitable share of oil and gas;

(2) provide that production obtained from the pooled tract be allocated to each owner therein on the basis of the proportion that the number of mineral acres held by each owner in the drilling unit bears to the total number of mineral acres within the drilling unit;

(3) provide that with respect to the Well the consenting parties be allowed to recover from any non-consenting owner's share of production the penalty costs as provided in C.R.S. § 34-60-116 (7)(b); and

(4) require the operator to provide each non-consenting interest owner in the Unit with monthly statement of costs incurred together with the quantity of oil and gas produced and proceeds realized, pursuant to C.R.S. §34-60-116(8).

RESPECTFULLY SUBMITTED this 16th day of April, 2014.

LOHF SHAIMAN JACOBS HYMAN & FEIGER
PC

By: _____

J. Michael Morgan #7279

Justin Plaskov #45053

950 South Cherry Street, Suite 900

Denver, Colorado 80246

(303) 753-9000

(303) 75-9997 (fax)

mmorgan@lohfshaiman.com

Address of Applicant:

Synergy Resources Corporation
20203 Highway 60
Platteville, CO 80651

EXHIBIT "A"
TO APPLICATION OF SYNERGY RESOURCES CORPORATION

Applicant: Synergy Resources Corporation
20203 Highway 60
Platteville, CO 80651

Applicant's Attorney: J. Michael Morgan, Esq.
Lohf Shaiman Jacobs Hyman & Feiger PC
950 South Cherry Street, Suite 900
Denver, CO 80246

Local Government Designee: Tom Parko
Weld County
1555 North 17th Street
Greeley, CO 80631

Interested Parties in the E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 10, Township 5 North, Range 66 West

Leased Mineral Owners:

Aims College Campus Planned Community Association 5401 W. 20 th Street Greeley CO 80632	Michael R Blaylock and Mary Ann Peden 1505 47 th Avenue Greeley CO 80634
Aims Junior College District 5401 W 20 th Street Greeley CO 80632	Mitch E Wagy and Melody J Wagy JT 106 N 55 th Avenue Greeley CO 80634
City of Greeley 1000 10 th Street Greeley CO 80631	Weld County Board of Commissioners 1150 'O' Street PO Box 758 Greeley CO 80632
Marcus Johnson 5273 Reef Court Windsor CO 80528	William D Elder & Sandra M Elder 1501 47 th Avenue Greeley CO 80634

Unleased Owners

Morgan Earl Bentley 3950 W 12 th Street #34 Greeley CO 80634	Edna Carlson 1730 20 th Avenue Greeley CO 80631
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Leasehold Owners:

Synergy Resources Corporation
20203 Highway 60
Platteville, CO 80651

FEI Energy Fund LLC
1707 61st Avenue, Unit 101
Greeley, CO 80634

Wytex Drilling Ventures LLC
PO Box 280969
Lakewood CO 80228-0969

VERIFICATION

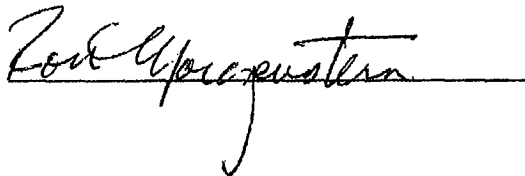
STATE OF COLORADO)
)
COUNTY OF WELD) **ss.**

The undersigned, of lawful age, having been first sworn upon his oath, deposes and states that:

1. He is Ron Morgenstern, Vice President - Land & Business Development of the Applicant, Synergy Resources Corporation, and that he maintains an office at 20203 Highway 60, Platteville, CO 80651.

2. He has read the within Application of Synergy Resources Corporation, is familiar with the facts set forth therein, and states that said facts are true and correct to the best of her knowledge and belief.

Further Affiant sayeth not.



Subscribed and sworn to before me this _____ day of April, 2014.

Witness my hand and official seal.

My commission expires: _____

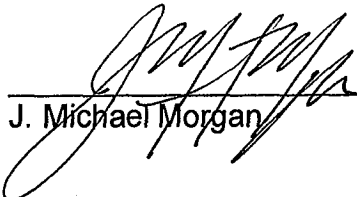
Notary Public

AFFIDAVIT OF MAILING

STATE OF COLORADO)
) ss.
CITY & COUNTY OF DENVER)

J. Michael Morgan, of lawful age and being first duly sworn upon his oath, states and declares:

That he is the attorney for Synergy Resources Corporation in the above-captioned matter. On April 16, 2014, he caused a copy of the attached Verified Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on **Exhibit A** to said Application.

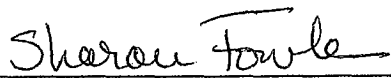


J. Michael Morgan

Subscribed and sworn to before me this 16th day of April, 2014.

Witness my hand and official seal.
My commission expires: 3/5/2015





Notary Public