



May 28, 2013

Director
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

Re: Operator Request Letter to Rule 318A.m.
Phelps 11-32CHZ, 11-32NHZ, 12-32CHZ, 12-32NHZ, 13-32CHZ, 13-32NHZ,
A-32CHZ, A-32NHZ, B-32CHZ, J-32CHZ, K-32CHZ, K-32NHZ
Township 1 North, Range 66 West
Section 32
Weld County, Colorado

Dear Director,

Synergy Resources Corporation (SRC) is making an application for a drilling permit for the above captioned well(s). As currently planned, the wellbore(s) of the following well(s) which is operated by SRC, will lie within 150 feet of the horizontal lateral of the above captioned well(s):

- | | |
|--------------------|-------------------------------|
| 1. Phelps 11-32CHZ | Synergy Resources Corporation |
| 2. Phelps 11-32NHZ | Synergy Resources Corporation |
| 3. Phelps 12-32CHZ | Synergy Resources Corporation |
| 4. Phelps 12-32NHZ | Synergy Resources Corporation |
| 5. Phelps 13-32CHZ | Synergy Resources Corporation |
| 6. Phelps 13-32NHZ | Synergy Resources Corporation |
| 7. Phelps A-32CHZ | Synergy Resources Corporation |
| 8. Phelps A-32NHZ | Synergy Resources Corporation |
| 9. Phelps K-32CHZ | Synergy Resources Corporation |
| 10. Phelps K-32NHZ | Synergy Resources Corporation |
| 11. Phelps B-32CHZ | Synergy Resources Corporation |
| 12. Phelps J-32CHZ | Synergy Resources Corporation |

Prior to drilling operations, Operator will perform an anti-collision review of the existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision review may include MWD or gyro surveys and surface locations 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 bottom hole location. The proposed well(s) will only be drilled if the anti-collision review results indicate that the risk of collision is sufficiently low as defined by the anti-collision plan, with separation factors greater than 1.5, or if the risk of collision has been mitigated through other means including shutting in wells,

plugging wells, increased drilling fluid in the event of lost returns or as is appropriate for the specific situation. In the event of an increased risk of collision, that risk will be mitigated to prevent harm to people, the environment, or property. For the proposed well, upon conclusion of drilling operations, an as-constructed directional survey will be submitted to the COGCC with the Form 5.

Rule 318A.m. of the Colorado Oil and Gas Commission's Rules and Regulations does not allow horizontal wells to be drilled within 150' of other wells unless this requirement is waived by the Operator of the encroached upon well(s). SRC is the operator of the proposed well and the encroached upon well(s) so no waiver is required.

As Operator of the above referenced well(s) lying within 150 feet of the wellbore of the above captioned well, SRC respectfully requests the Director to accept this Operator Request Letter to allow the above referenced well to be drilled within 150 feet of the well(s) listed above that are operated by SRC.

If you have any questions or issues regarding this permit, please contact Craig Rasmuson at (970) 737-1073.

Sincerely,

Craig Rasmuson

Craig Rasmuson
V.P. Operations
Synergy Resources Corporation