



June 19, 2014

Sent via e-mail to lbelcher@bayswater.us

Mr. Lynn Belcher  
Bayswater Exploration & Production, LLC  
730 Seventeenth Street, Suite 610  
Denver, CO 80202

Re: Notice of Horizontal Well Proposal  
WELL NAME: SRC Weld 152 41-10CHZ  
          SRC Weld 152 41-10NHZ  
          SRC Weld 152 31-10CHZ  
          SRC Weld 152 31-10NHZ  
          SRC Weld 152 C-10CHZ  
          SRC Weld 152 C-10NHZ  
Weld County, Colorado

Dear Owner:

Synergy Resources Corporation ("Synergy") intends to propose, drill and operate the referenced wells pursuant to Paragraph 6 of Rule 318A(I).e., as amended, of the Colorado Oil and Gas Conservation Commission (COGCC"). Attached for your information are plats representing this proposal.

Additional information for this well:

- (1) **Wellbore Spacing Unit**  
The wellbore spacing unit will be comprised of the N/2 of Section 10, T6N, R67W, 6<sup>th</sup> P.M. The working interests attributable to the Niobrara and/or Codell formations in the proposed spacing unit will be utilized to determine the interests of the parties for these wells. It appears that you own a working interest in the proposed wellbore spacing unit for these wells.
- (2) **Target Formations**  
The wells will be drilled to a total depth to sufficiently test the Niobrara and/or Codell formations.
- (3) **Surface and Bottomhole Locations**  
See attached Plats
- (4) **Anticipated Spud Date**  
First week of July, 2014
- (5) **Request for Title Information**  
In order to facilitate the rendering of a full title opinion, please provide copies of any title opinions, updates and JIB/Rev deck materials for the referenced spacing unit in your possession to Synergy.

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Pursuant to the aforementioned rule, you have thirty (30) days from your receipt of this notice to object to this proposal. In the event you do not respond to this notice or enter an objection within the established time period, the proposed spacing unit set forth shall be established.

However, should you have no objection to this proposal, please so indicate by signing in the space provided below and return to Synergy as soon as possible. A duplicate letter for your records is also enclosed. Your cooperation in this matter is greatly appreciated so that Synergy may timely continue the permitting process for this well.

Thank you for your timely consideration and response to this proposal. If you have any questions, please contact me at 720-488-4741 or seich@syrginfo.com.

Sincerely,



Sue Eich  
Manager of Land

Enclosure

Pursuant to Paragraph 6 of Rule 318A(I).e., as amended, of the Colorado Oil and Gas Conservation Commission, the undersigned has received notice from Synergy Resources Corporation of its intention to drill and operate the SRC Weld 152 41-10CHZ, SRC Weld 152 41-10NHZ, SRC Weld 152 31-10CHZ, SRC Weld 152 31-10NHZ, SRC Weld 152 C-10CHZ and SRC Weld 152 C-10NHZ wells in Weld County, Colorado and the undersigned hereby waives the thirty (30) day notice requirement as provided by said rule.

**BAYSWATER EXPLORATION & PRODUCTION, LLC**

By:



Printed Name:

Lynn S. Belcher

Title:

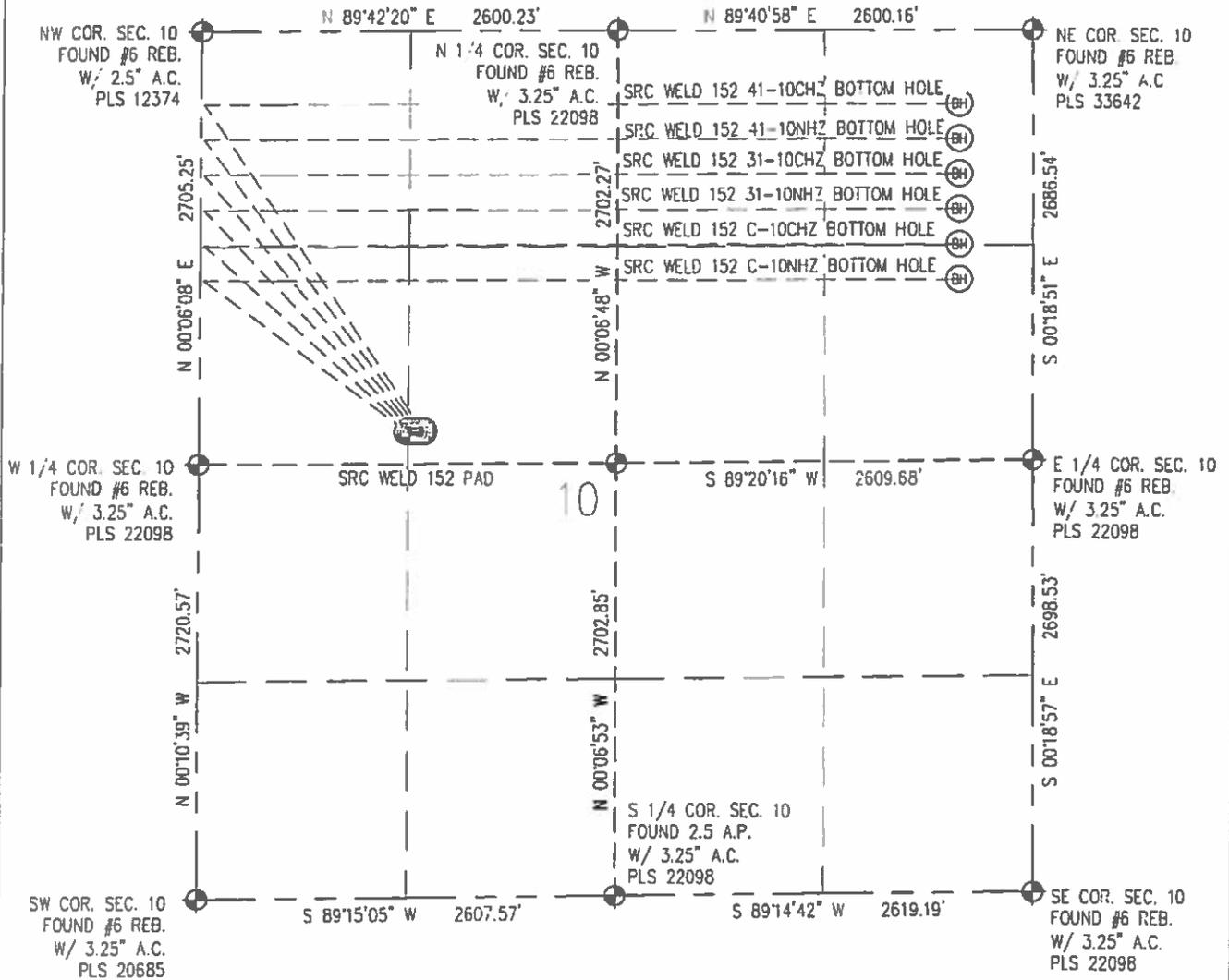
Executive Vice President

Date:

6-20-14

# MULTI-WELL PAD PLAN

THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY



### LEGEND

- ⊕ - FOUND/SET SURVEY MONUMENT PER MONUMENT RECORD EXCEPTIONS NOTED.
- - CALCULATED SURVEY MONUMENT POSITION
- (C) - CALCULATED DIMENSION

Scale 1" = 1000 ft



NOTICE: According to Colorado law you MUST commence any legal action based upon any defect in this W.L.C. within three years after you first discover such defect. In no event may any action based upon any defect in this W.L.C. be commenced more than ten years from this said date of the certification show hereon.