



June 26, 2014

VIA ELECTRONIC TRANSMISSION

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

RE: Rule 318A.m Minimum Intrawell Distance Exception

**SRC Kiehn 32-4CHZ: 201' FNL, 1783' FEL, SWSE Section 4 T4N-R68W**

Dear Mr. Lepore,

Synergy Resources Corporation respectfully requests that the Director grant an exception to Rule 318A.m for the above well. Per COGCC Rule 318A.m, no horizontal wellbore lateral shall be located less than one hundred fifty (150) feet from any existing or permitted oil or gas wellbore unless waived in writing by the encroached upon well. As currently planned, the wellbore of the above well will lie within 150 feet of the captioned wells:

HULEATT 1 [API: 05-123-05155], Operated by UNKNOWN, Status: PA  
SAULCY 4-1 [API: 05-123-10770], Operated by General Resources LTD, Status: PA

The Operators of the encroached upon wells are either unknown or no longer exist as an operator. Please see the Anti-Collision Mitigation BMP of NGL Water Solutions DJ, LLC listed below.

Anti-Collision BMP: 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 wells. 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.

Synergy Resources Corporation respectfully requests that the above well be approved. Please contact the undersigned at 720-420-5700 with any questions.

Sincerely,

Ruben Markarian  
Engineer  
Integrated Petroleum Technologies, Inc.  
Consultants to Synergy Resources Corporation