



September 30, 2014

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

Re: Rule 318 A.(e)
Cannon 14-16CHZ
SESE of Section 16, Township 4N, Range 68W
Weld County, Colorado

Dear Director Lepore,

Synergy Resources Corporation (SRC) is planning to drill the captioned horizontal well in accordance with the provisions of COGCC Rule 318A.(e).

SRC's proposed wellbore spacing unit consists of the S/2 of the S/2 of Section 16 and the N/2 of the N/2 of Section 21 Township 4N Range 68W, creating a 320-acre wellbore spacing unit for the Codell formation.

Synergy Resources Corporation hereby certifies to the Director that SRC owns 100% interest in the proposed well bore spacing unit for the above said well, and requests the Director to approve the Horizontal well.

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

Sincerely,

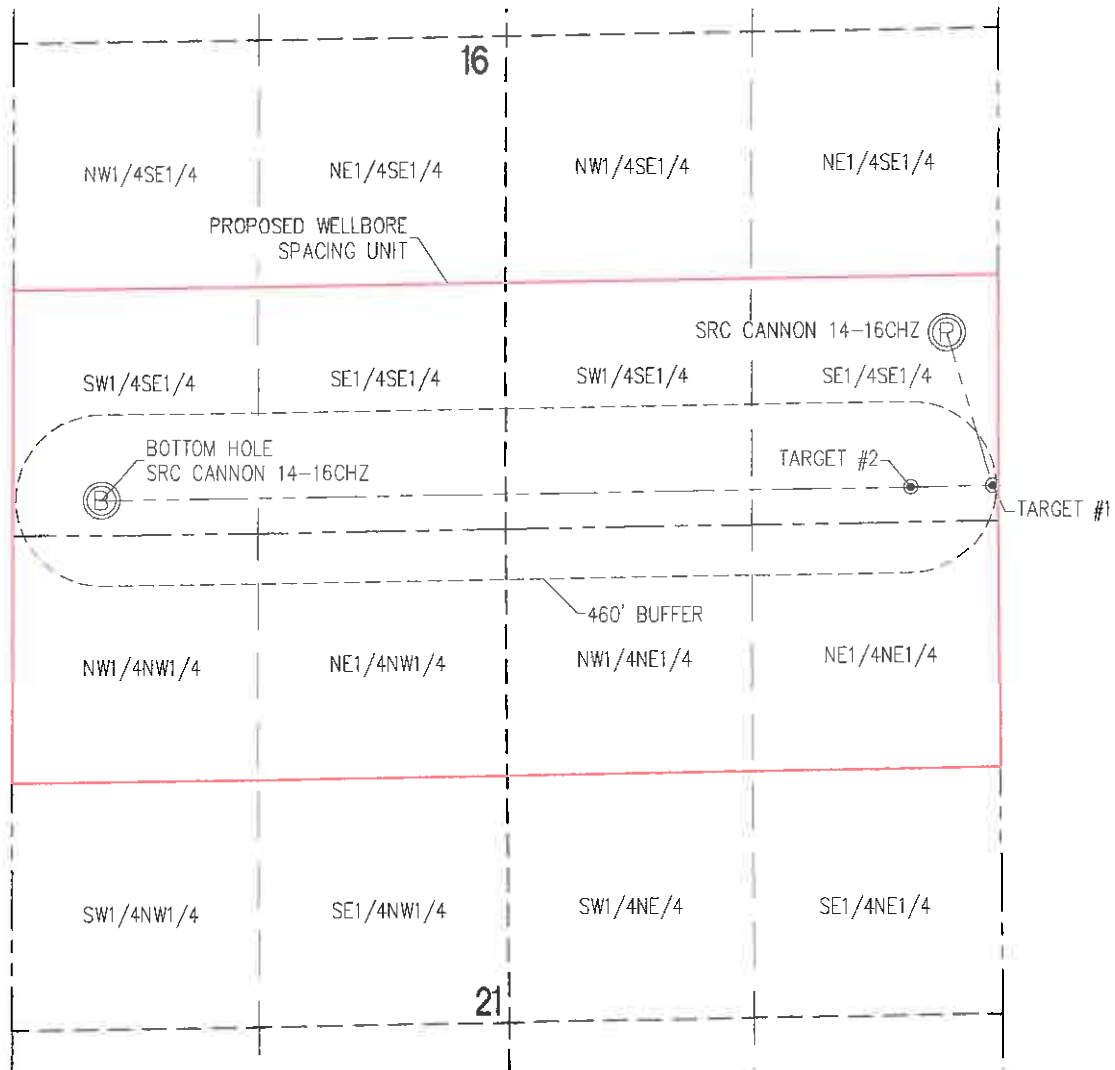
Craig Rasmuson

Craig Rasmuson
Synergy Resources Corporation

SITE SKETCH

CANNON 14-16CHZ

SECTION 14
TOWNSHIP 4 NORTH
RANGE 68 WEST



SURFACE HOLE:
LATITUDE: 40.308934° N
LONGITUDE: 104.999848° W

BOTTOM HOLE:
LATITUDE: 40.306541° N
LONGITUDE: 105.016115° W

TARGET #1:
LATITUDE: 40.306667° N
LONGITUDE: 104.998974° W

TARGET #2:
LATITUDE: 40.306655° N
LONGITUDE: 105.000551° W

NOTES:

1) THIS SKETCH DOES NOT REPRESENT A BOUNDARY SURVEY.

