



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 S-16NHZ
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 Section 16 Township 4N Range 68W, creating a 320-acre wellbore spacing unit for the Niobrara 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

WELL LOCATION CERTIFICATE

THIS MAP DOES NOT REPRESENT A BOUNDARY SURVEY

SECTION 16
TOWNSHIP 4 NORTH
RANGE 68 WEST

NW COR. SEC. 16
FOUND #6 REB.
W/ 3.25" A.C.
PLS 22098

NE COR. SEC. 16
FOUND #6 REB.
W/ 3.25" A.C.
PLS 22098

N 1/4 COR. SEC. 16
FOUND #5 REB.
W/ 2.5" A.C.
PLS 12374

N 89°00'10" E 2643.52'
N 00°10'43" W 2856.79'

S 00°13'03" E 2662.83'

W 1/4 COR. SEC. 16
FOUND #6 REB.
W/ 2.5" A.C.
PLS 23500

C 1/4 COR. SEC. 16
FOUND #6 REB.
W/ 2.0" A.C.
PLS 32444

E 1/4 COR. SEC. 16
FOUND #6 REB.
W/ 2.5" A.C.
PLS 32444

SW COR. SEC. 16
FOUND #6 REB.
W/ 2.5" A.C.
PLS 12374

S 1/4 COR. SEC. 16
FOUND #6 REB.
W/ 2.5" A.C.
PLS 12374

SE COR. SEC. 16
FOUND #6 REB.
W/ 2.5" A.C.
PLS 12374

N

IN ACCORDANCE WITH A REQUEST FROM CRAIG RASMUSON - SYNERGY RESOURCES, BASELINE ENGINEERING CORP. HAS DETERMINED THE LOCATION OF THE SRC CANNON S-16NHZ TO BE 1129' FSL AND 280' FEL, AS MEASURED AT NINETY (90) DEGREES FROM THE SECTION LINE OF SECTION 16, TOWNSHIP 4 NORTH, RANGE 68 WEST, AND THE BOTTOM HOLE LOCATION TO BE 1288' FSL AND 475' FEL OF SECTION 16, TOWNSHIP 4 NORTH, RANGE 68 WEST, 6TH PRINCIPAL MERIDIAN, WELD COUNTY, COLORADO

I HEREBY CERTIFY THAT THIS WELL LOCATION CERTIFICATE WAS PREPARED BY ME, OR UNDER MY DIRECT SUPERVISION, THAT THE FIELD WORK WAS COMPLETED ON 07/08/2013, THAT IT IS NOT A LAND SURVEY PLAT OR AN IMPROVEMENT SURVEY PLAT, AND THAT IT IS NOT TO BE RELIED UPON FOR ESTABLISHMENT OF FENCE, BUILDING, OR OTHER FUTURE IMPROVEMENT LINES

Scale 1" = 1000 ft

NOTES

- 1) LAT/LONG SHOWN ARE BASED ON A GPS OBSERVATION (NAD83)
- 2) BEARINGS SHOWN ARE GRID BEARINGS OF THE COLORADO STATE PLANE COORDINATE SYSTEM, NORTH ZONE, NORTH AMERICAN DATUM 1983/2007
- 3) GROUND ELEVATIONS ARE BASED ON A GPS OBSERVATION (NAVD 88 DATUM)
- 4) ALL DISTANCES SHOWN ARE FIELD MEASURED UNLESS OTHERWISE NOTED
- 5) THE NEAREST EXISTING WELL IS NONE IN QUARTER SECTION
- 6) IMPROVEMENTS: SEE LOCATION DRAWING EXHIBIT FOR ALL VISIBLE IMPROVEMENTS WITHIN 600' OF WELL HEAD
- 7) SURFACE USE: AGRICULTURAL FIELD
- 8) OPERATOR NAME: BRETT BIRCH

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

SURFACE HOLE:
LATITUDE: 40.309243° N
LONGITUDE: 104.999848° W
PDOP: 0.9
1/4, 1/4, SE1/4SE1/4
NEAREST PROPERTY LINE: 280' E

BOTTOM HOLE:
LATITUDE: 40.309560° N
LONGITUDE: 105.005105° W

TARGET #1
LATITUDE: 40.309686° N
LONGITUDE: 104.999865° W
TARGET #2
LATITUDE: 40.309674° N
LONGITUDE: 105.000546° W

LEGEND

- FOUND/SET SURVEY MONUMENT PER MONUMENT RECORD EXCEPT AS NOTED
- CALCULATED SURVEY MONUMENT POSITION
- CALCULATED DIMENSION



MATT ROBERT EISENACH
Professional Land Surveyor Registration No. 38257
State of Colorado
FOR AND ON BEHALF OF BASELINE ENGINEERING CORP.

Completed
10/07/2014

PROJECT # SYN04668W16-01