



PRIORITY MAIL

October 21, 2014

Ginger L. Cannon
2905 E. State Highway 56
Berthoud, Colorado 80513

Re: COGCC Rule 318A.a.: Exception Location Waiver
COGCC Rule 318A.c.: Twinning Exception Location Waiver
Cannon Pad: SESE: Section 16, Township 4 North, Range 68 West
Weld County, Colorado

Dear Ginger Cannon,

Synergy Resources Corporation (Synergy) is planning to drill the following 11 horizontal wells as follows:

Cannon K-16CHZ: SHL, 1241'FSL, 280'FEL, Sec.16, T4N-R68W
Cannon 13-16NHZ: SHL, 1219'FSL, 280'FEL, Sec.16, T4N-R68W
Cannon 13-16CHZ: SHL, 1196'FSL, 280' FEL, Sec.16, T4N-R-68W
Cannon H-16NHZ: SHL, 1174'FSL, 280' FEL, Sec.16, T4N-R-68W
Cannon H-16CHZ: SHL, 1151'FSL, 280'FEL, Sec.16, T4N-R-68W
Cannon S-16NHZ: SHL, 1129'FSL, 280'FEL, Sec.16, T4N-R-68W
Cannon S-16CHZ: SHL, 1106'FSL, 280'FEL, Sec.16, T4N-R-68W
Cannon 24-16-NHZ: SHL, 1084'FSL, 280'FEL, Sec.16, T4N-R-68W
Cannon 24-16CHZ: SHL, 1061'FSL, 280'FEL, Sec.16, T4N-R68W
Cannon 14-16NHZ: SHL, 1039'FSL, 280'FEL, Sec.16, T4N-R68W
Cannon 14-16CHZ: SHL, 1016'FSL, 280'FEL, Sec.16, T4N-R68W

The surface locations of Synergy's proposed wells have been staked outside of the COGCC Rule 318A.a. Greater Wattenberg Area (GWA) Drilling Window and are being permitted as exception locations. In addition, under the COGCC Rule 318A.c. any new well is to be located within 50 feet of an existing well. Synergy's proposed wells are located greater than fifty feet from the nearest Oil & Gas well. Synergy's Resource Corporation respectfully requests that you, as surface owner, waive rules 318A.a. & 318A.c. in order to drill the referenced wells. Please sign and return one copy of this letter in the self-addressed stamped envelope provided herein.

Should you have any question or require additional information, please do not hesitate contacting me at (720)-420-5749

Respectfully,

Sonia Spencer
Project Manager
Agent for Synergy Resource Corporation



Enclosures: Copy of waiver letter to be signed and returned/Self-addressed stamped envelope

I/We/hereby accepts waiver of COGCC Rules 318A.a. & 318A.c. as it applies to above referenced Cannon Wells.

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Ginger L. Cannon

Signed by: Ginger L Cannon

Name: GINGER L CANNON

Date: 10-27-14