



**VIA EFORMS**

Mr. Matt Lepore  
Colorado Oil & Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, CO 80203

June 20, 2015

RE: Application for Permit to Drill - Proposed Wellbore Spacing Unit  
Synergy Resources Corporation  
**Ivey M-14-23HC**  
SHL: 589' FSL 2,036' FEL (SW/4 SE/4)  
Sec. 11 T1S R68W  
BHL: ±2,603' FNL ±1,015' FEL (SE/ NE/4)  
Sec. 23 T1S R68W  
Adams County, Colorado  
Surface Ownership: Fee  
Mineral Lease: Fee

Dear Mr. Lepore:

Synergy Resources Corporation (Synergy) intends to permit, drill and operate the above referenced Codell formation Horizontal Well. As defined by Colorado Oil and Gas Conservation Commission (COGCC) Rule 318A.a.(4)D., Synergy proposes the following wellbore spacing unit:

**Description of the Wellbore Orientation and Wellbore Spacing Unit:** The proposed horizontal wellbore paths will run north to south. The Proposed Spacing Unit is as follows:

| Well Name      | Proposed Spacing Unit  | Acreage |
|----------------|--|---------|
| Ivey M-14-23HC | Sec. 14: NENE, NENE, SWNE, SENE, NWSE NESE, SWSE, SESE;<br>Sec. 23: NWNE, NENE, SWNE, SENE, NWSE, NESE | 560     |

**Description of Wellbore Orientation & Proposed Surface, Bottom, and Productive Interval Locations and Target Formation:**

The proposed wellbore will run north to south, beginning in Sec. 11 T1S R68W and ending in Sec. 23 T1S R68W. Please see the enclosed PSU. The proposed location is as follows:

| Well Name      | Surface Hole        | Productive Interval | Bottom Hole          | Formation |
|----------------|---------------------|---------------------|----------------------|-----------|
| Ivey M-14-23HC | 589' FSL 2,036' FEL | 465' FNL 1,015' FEL | 2063' FNL 1,015' FEL | Codell    |

Synergy requests the Director approve the proposed wellbore spacing unit.

This letter hereby certifies that Synergy complied with Rule 318A.e.(5) on November 18, 2014 for the above referenced oil and gas well. All mineral interest owners were sent letters notifying them of the proposed spacing unit. The Mineral Interest Owner letters were sent by Bayswater Exploration & Production who was the original operator of the proposed well. Synergy bought the prospect and no changes were made to either the surface, landing point, or bottom-hole locations since the Mineral Interest owners were notified. No disputes were received.

**Your Assets / Our Expertise**

- Regulatory
- Storm-water Management Plans
- Project Coordination
- Permitting
- Government Relations
- EA/EIS Assistance

Mr. Matt Lepore  
June 20, 2015  
Page 2

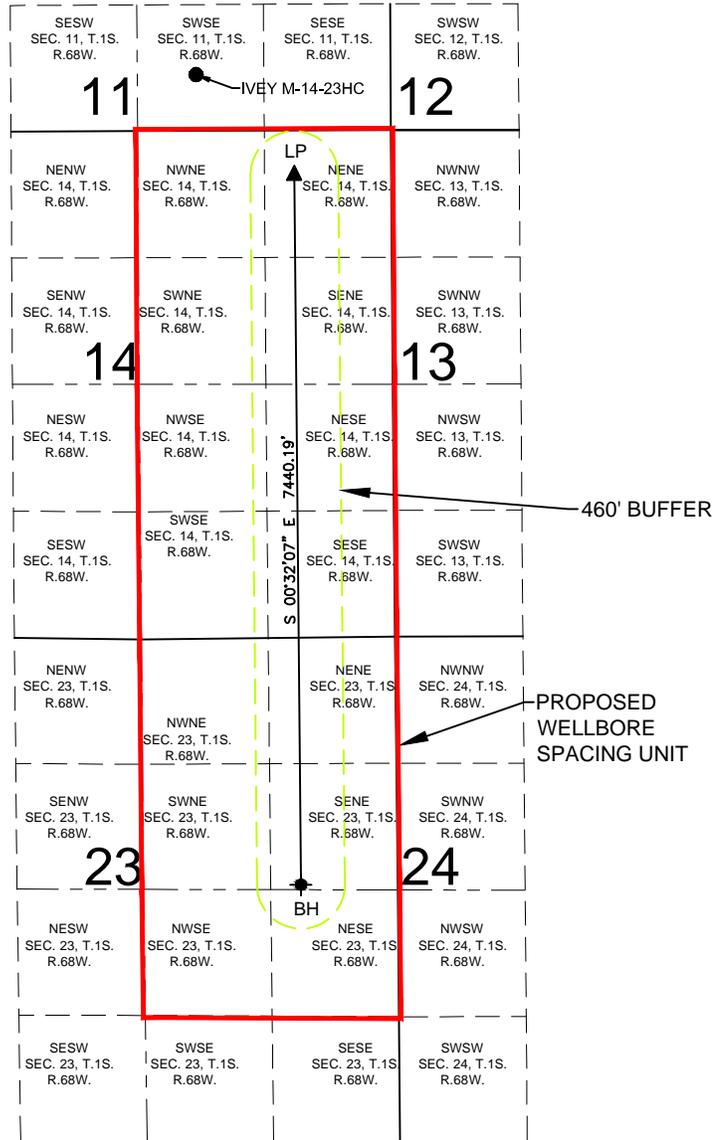
Please send a copy of all correspondence to Upstream Petroleum Management, Inc. at 7000 S. Yosemite St., Suite 290B, Englewood, CO 80112. Please contact me at 303-942-0506 or at [acallaway@upstreampm.com](mailto:acallaway@upstreampm.com) if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Angela G. Callaway". The signature is written in a cursive style with a large initial 'A' and a long, sweeping underline.

Angela G. Callaway  
Permit Agent for Synergy Resources Corporation

# IVEY 11-N SOUTH PAD PROPOSED 318A.e. SPACING UNIT

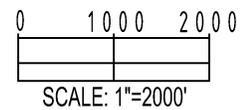


**WELL IVEY M-14-23HC TO BE LOCATED 589' FSL AND 2036' FEL, SEC. 11, T1S, R68W**

SURFACE LOCATION  
NAD83  
LATITUDE= 39.973643°  
LONGITUDE= 104.966684°

LANDING POINT LOCATION  
NAD83  
LATITUDE= 39.970744°  
LONGITUDE= 104.963039°

BOTTOM HOLE LOCATION  
NAD83  
LATITUDE= 39.950319°  
LONGITUDE= 104.962952°



**LEGEND**

- = PROPOSED WELL      LP = LANDING POINT
- ▲ = LANDING POINT      BH = BOTTOM HOLE
- ◆ = BOTTOM HOLE

PREPARED BY:



FIELD DATE:  
05-07-14

DRAWING DATE:  
03-03-15

BY: DRF      CHECKED BY: MDCA

SITE NAME:  
IVEY 11-N SOUTH PAD

SURFACE LOCATION:  
SW 1/4 SE 1/4, SEC. 11, T1S, R68W, 6TH P.M.  
ADAMS COUNTY, COLORADO

PREPARED FOR:

