

Upstream

Petroleum Management, Inc.

7000 S. Yosemite St., Suite 290B
Englewood, CO 80112
phone 303.942.0506
www.upstreampm.com

VIA EFORMS

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

June 11, 2015

RE: Application for Permit to Drill - Proposed Wellbore Spacing Unit
Synergy Resources Corporation
Ivey P-11-2HN
SHL: 1,175' FSL 1,619' FEL (SW/4 SE/4)
Sec. 11 T1S R68W
BHL: ±465' FNL ±190' FEL LOT 1
Sec. 2 T1S R68W
Adams County, Colorado
Surface: Fee
Mineral Lease: Fee

Dear Mr. Lepore:

Synergy Resources Corporation (Synergy) intends to permit, drill and operate the above referenced Niobrara 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 south to north. The Proposed Spacing Unit is as follows:

Well Name	Proposed Spacing Unit	Acreage
Ivey P-11-2HN	T1S R68W Sec. 11: NESE, SENE, NENE; T1S R68W Sec. 12: NWSW, SWNW, NWNW; T1S R68W Sec. 1: SWSW, NWSW, SWNW, W2 of Lot 2 aka NWNW T1S R68W Sec. 2: SESE, NESE, SENE, E2 of Lot 1 aka NENE	±554.33

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

The proposed wellbore will run south to north, beginning in Sec. 11 T1S R68W and ending in Sec. 2 T1S R68W. Please see the enclosed PSU and Well Location Certificates. The proposed location is as follows:

Well Name	Surface Hole	Productive Interval	Bottom Hole	Formation
Ivey P-11-2HN	1,175' FSL 1,619' FEL	1,785' FSL 190' FEL	465' FNL 190' FEL	Niobrara

Synergy requests the Director approve the proposed wellbore spacing unit.

This letter hereby certifies that Synergy complied with Rule 318A.e.(5) on December 16, 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

Your Assets / Our Expertise

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

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the surface, landing point, or bottom-hole locations since the Mineral Interest owners were notified. No disputes were received.

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 if you have any questions.

Sincerely,

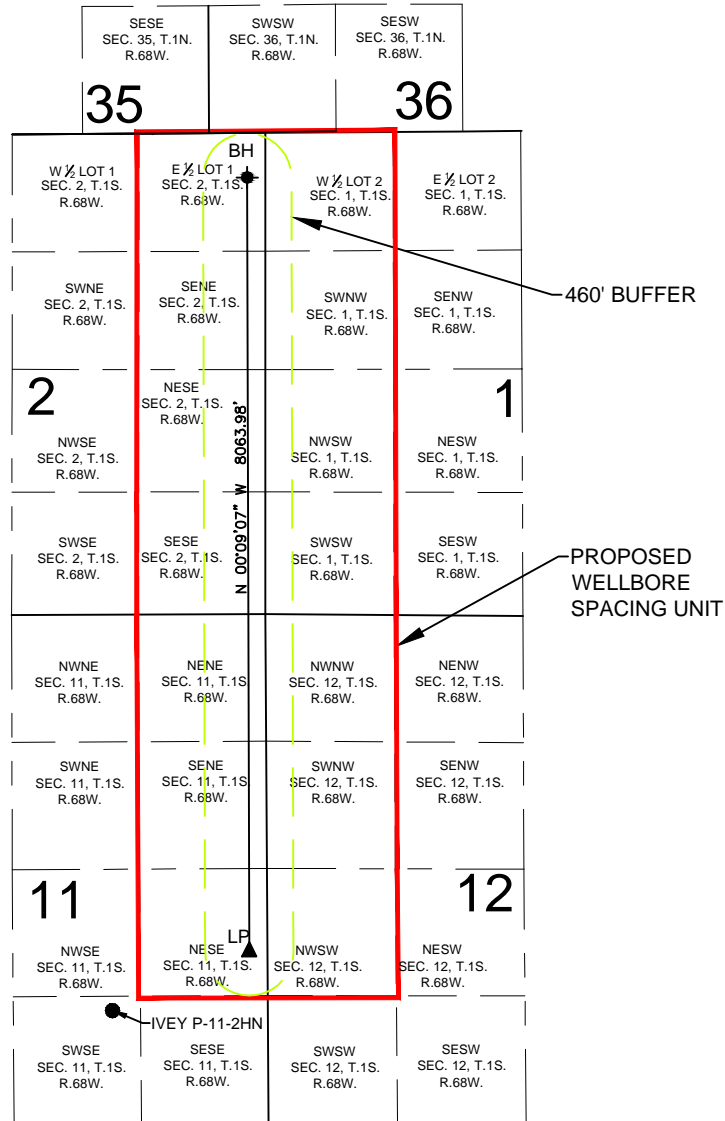


Angela G. Callaway
Permit Agent for Synergy Resources Corporation

Your Assets / Our Expertise

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



WELL IVEY P-11-2HN TO BE LOCATED 1175' FSL AND 1169' FEL, SEC. 11, T1S, R68W

SURFACE LOCATION

NAD83
LATITUDE= 39.975250°
LONGITUDE= 104.965198°

LANDING POINT LOCATION

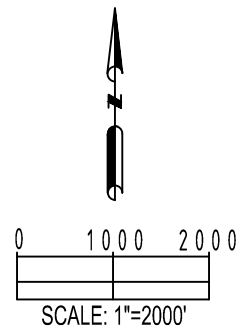
NAD83
LATITUDE= 39.976916°
LONGITUDE= 104.960100°

BOTTOM HOLE LOCATION

NAD83
LATITUDE= 39.999053°
LONGITUDE= 104.960001°

LEGEND

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



PREPARED BY:



FIELD DATE:

06-03-14

DRAWING DATE:

03-02-15

BY:

DRF

CHECKED BY:

MDCA

SITE NAME:

IVEY 11-N NORTH PAD

SURFACE LOCATION:

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

PREPARED FOR:

