



October 2, 2015

SYNERGY RESOURCES CORPORATION - #10311  
20203 HIGHWAY 60  
PLATTEVILLE, CO 80651

RE: Rule 317.s. Statewide Fracture Stimulation Setback

**TC Hiland Knolls 4-9-11**

**SHL: 2584'FSL, 1189'FEL, SENE Sec. 8-T5N-R66W,**

**Top of Producing Zone Location: 660'FSL, 460'FWL, Sec. 9-T5N-R66W**

**BHL: 660'FSL, 2519'FWL, Sec. 11-T5N-R66W**

Dear Operator,

Extraction Oil & Gas, LLC (Extraction) is applying to the Colorado Oil and Gas Conversation Commission (COGCC) to drill the above referenced well at the described surface and bottom hole locations. Per COGCC Rule 317.s., no horizontal wellbore lateral shall be located less than one hundred fifty (150) feet from any existing or permitted oil or gas wellbore unless waived in writing by the operator of the encroached upon well. As currently planned, the horizontal wellbore lateral of the above well will lie within 150 feet of the wellbore of the captioned well:

SRC AIMS #34-10D, API #05-123-34545, Operated by Synergy Resources Corp., Closest distance: 61 feet

Per COGCC Rules, Extraction is required to get the offset well operator's approval in writing and a waiver of said Rule 317.s. The well is planned as above to maximize mineral recovery. Also enclosed is a Well Location Plat that shows the planned wellbore.

Should you find this acceptable please indicate so by signing the below section and returning the signed letter either via email to [alyssa.andrews@iptenergyservices.com](mailto:alyssa.andrews@iptenergyservices.com) or by fax. Please contact the undersigned at 720-420-5700 with any questions.

Sincerely,

Alyssa Andrews  
Operations Engineer  
Integrated Petroleum Technologies  
Consultant for Extraction Oil & Gas, LLC

I, DAVID BAUMBACH, officer, agent, or employee of Synegy Resources Corp  
operator of the affected well, with full power to execute the following, do hereby approve of the **Extraction TC Hiland**  
**Knolls 4-9-11** well as listed above in **Sec. 8-T5N-R66W** and grant a waiver COGCC Rule 317.s. granting that this well  
may drilled as planned.

Signed David Baum this 13<sup>th</sup> day of October, 2015