



April 6, 2016

Director Matt Lepore
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

Re: Request for a Rule 502.b.(1) Variance from COGCC Interim Reclamation Rule 1003(b.)
Synergy Resources Corporation, Operator No. 10311
SRC Wiedeman Pad, Location No. 438622
NW1/4NE1/4 Sect. 5, T5N, R66W, Weld County

Dear Director Lepore,

This letter is a request for a Rule 502.(b.)(1) variance from the interim reclamation requirements of COGCC Rule 1003(b.) for the above captioned Synergy Resources Corporation ("Synergy") location. The SRC Wiedeman Pad, which is located on irrigated cropland, has had eight wells drilled on it, however, the wells have not yet been completed because of pending litigation and a pending COGCC spacing unit and pooling matter that will not be resolved until the April 18 & 19, 2016 COGCC hearing.

COGCC Rule 1003(b.) states "All disturbed areas affected by drilling or subsequent operations, except areas reasonably needed for production operations or for subsequent drilling operations to be commenced within twelve (12) months, shall be reclaimed as early and as nearly as practicable to their original condition or their final land use as designated by the surface owner and shall be maintained to control dust and minimize erosion to the extent practicable." For cropland interim reclamation is supposed to occur with 3 months. After the wells were drilled, the drilling rig left the location on December, 25, 2014. Before Synergy commenced the completion of the wells, the COGCC suspended the prior approval of the wellbore spacing units and the pending pooling application due to a notice dispute. Because of the unresolved COGCC spacing unit and pooling matter, Synergy has not been able to perform completion work on any of the eight wells that were drilled, and the interim reclamation work required under Rule 1003(b.) has not been completed. Synergy has made a good faith effort to timely pursue the necessary spacing order from the Commission by filing an application on September 11, 2015 for the October 26-27, 2015 hearing (Cause No. 407, Docket No. 151000665). The matter has since been continued to the April 18 & 19, 2016 COGCC hearing. For that reason, and because of the pending litigation, Synergy has not yet been able to comply with the specific requirements of Rule 1003(b.).

The affected party in this matter is the surface owner, who is the Wiedeman Family Farm, LLC. The affected party may be caused to have limited agricultural plans for the 2016 season, but understands that the current condition of the location is temporary, and that once the wells have been completed, Synergy will comply with the COGCC interim reclamation rules. Attached is a waiver of COGCC Rule 1003(b.) signed by Mr. Alan Wiedeman on behalf of Wiedeman Family Farm, LLC.

The granting of the requested variance will not violate the basic intent of the Oil and Gas Conservation Act, which requires that oil and gas operations be regulated "...so as to prevent and mitigate significant adverse environmental impacts on any air, water, soil, or biological resource resulting from oil and gas operations to the extent necessary to protect public health, safety, and welfare, including protection of the environment and wildlife resources, taking into consideration cost-effectiveness and technical feasibility...". Since the wells have been drilled, the SRC Wiedeman Pad location has been stabilized to prevent environmental impacts in the following manner:

- The surface of the location consists of rock road base.
- A secondary earthen berm has been constructed around the perimeter of the pad.
- There is a stormwater management plan for the location, and stormwater management BMP's are in place and are being maintained inspected in accordance with CDPHE / WQCD and COGCC requirements.
- The topsoil stockpile and all bermed areas around the pad will be seeded with drought resistant pasture grasses. The areas will be monitored, maintained and areas re-seeded if germination does not occur.
- Invasive, undesirable and noxious weeds will be controlled.

In addition, there were no pits used during the drilling of the wells that would need to be backfilled. The location will continued to be maintained and stabilized until the COGCC spacing and pooling issues and the pending litigation matter have been resolved.

For the above stated reasons, Synergy respectfully requests that the COGCC Director grant a 502.(b)(1) variance from COGCC Interim Reclamation Rule 1003(b.) for the SRC Wiedeman Pad.

Sincerely,



Brian J. Macke, P.E.
Director of Government Affairs