



November 11, 2016

Extraction Oil and Gas
370 17th Street Suite 5300
Denver, CO 80202

RE: Rule 317.r. & 317.s.
Orr State 40-36 Pad
Township 6 North, Range 67 West
Section 36
Weld County, Colorado

Ladies and Gentlemen,

Synergy Resources (Synergy) is applying for a permits to drill the captioned horizontal wells. Pursuant to Rule 317.r, you are provided notice of a permitted wells lying within one hundred fifty (150) feet of the existing active wells cited below. An operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed wells prior to drilling operations for the proposed wells. Notice shall be given to all offset operators prior to drilling.

Additionally, pursuant to Rule 317.s, no portion of a proposed wellbore's treated interval shall be located within one hundred fifty (150) feet of an existing (producing, shut-in, or temporarily abandoned) or permitted oil and gas wellbore's treated interval belonging to another operator without the signed written consent of the operator of the encroached upon wellbore.

Synergy Resources (Synergy) is applying for permits to drill the captioned horizontal wells. Pursuant to Rule 317.r, you are provided notices for Extraction of an existing permits within one hundred fifty (150) feet of our below listed wells.

Offset Well API #	Offset Well Name	Nearest Proposed Horizontal Well Name	Offset Well Operator
05-123-11968	State #1-36	Orr State 10C-35-M	Extraction
05-123-11968	State #1-36	Orr State 10N-35A-M	Extraction

Per Rule 317.s. , Synergy Resources will not have a stimulated interval within 150' feet of the offset wells of Extraction.

Sincerely,

Erin Ekblad
Manager Regulatory Affairs
Synergy Resources Corporation