



December 14, 2009

Gray's Inc.  
Daniel Gray, President  
3310 W. 23<sup>rd</sup> Street  
Greeley, CO 80634

Re: Request for Exception to Rule 318A(a)  
SRC-State 16P  
Township 4 North, Range 67 West  
Section 16: NE $\frac{1}{4}$ SW $\frac{1}{4}$   
Weld County, Colorado

Dear Mr. Gray

Synergy Resources Corporation plans to drill the above oil and gas well from the above-described surface location.

Rule 318A(a) of the Colorado Oil and Gas Commission's Rules and Regulations requires the well be drilled in a square with sides four hundred (400) feet in length, the center of which is the center of any quarter/quarter or a square with sides eight hundred (800) feet in length, the center of which is the center of any quarter section. Please waive this requirement below showing your approval of the new well being drilled at the location referenced above. Should you have any questions, please contact Ed Holloway at 970-737-1073. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ed Holloway', with a stylized flourish at the end.

Ed Holloway  
Synergy Resources Corporation

I/we waive Rule 318A(a) and approve the above-described location:

By: A handwritten signature in blue ink, appearing to read 'Daniel Gray', with a stylized flourish at the end.  
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Gray's Inc.  
Daniel Gray, President

Date: 12-17-09