



December 14, 2009

Gray's Inc.
Daniel Gray, President
3310 W. 23rd 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 small 'or' written above the end of the signature.

Ed Holloway
Synergy Resources Corporation

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

By: Daniel Gray
Gray's Inc.
Daniel Gray, President

Date: 12-17-09