



July 13, 2011

Margil Farms LLC
C/o Roger Olson
PO Box 38
Berthoud, CO 80513

Re: Request for Exception to Rule 318A(a)
Margil 13, 14, 24, and 24-34D and 34BD Well(s)
1546' FSL / 235' FEL
Township 4 North, Range 68 West
Section 34: SW/4
Weld County, Colorado

Dear Mr. Olson,

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 Regulation requires the well(s) 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 the quarter section.

Please waive this requirement below showing your approval of the new well(s) being drilled at the location referenced above. Should you have any questions, please contact Craig Rasmuson at 970-737-1073.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Craig Rasmuson', is written over a horizontal line.

Craig Rasmuson
Synergy Resources Corporation

By: A handwritten signature in blue ink, appearing to read 'Roger Olson', is written over a horizontal line.
Roger Olson

Date: 7-13-11



July 13, 2011

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

Re: Request for Exception to Rule 318 A(a)
Margil 13-34D
Margil 14-34D
Margil 34BD
Margil 23-34D
Margil 24-34D
Township 4 North, Range 68 West
Section 34: SW4
Weld County, Colorado

Dear Director,

Synergy Resources Corporation respectfully requests the Director approve an exception to Rule 318A to allow the SRC-Klein well(s), listed above, to be drilled at the above referenced location. Rule 318A(a) of the Colorado Oil and Gas Commission's Rules and regulations requires wells to be drilled/completed in a square with sides four hundred (400) feet in length, the center of which is the center of any quarter/quarter section or in the center of any quarter section with the four sides being (800) feet in length. The well being permitted is an exception location at the request of the surface owner.

Synergy Resources Corporation has obtained written permission from the surface owner. Should you have any questions, please contact Craig Rasmuson at (970) 737-1073. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Craig Rasmuson', is written over the word 'Sincerely,'.

Craig Rasmuson
Synergy Resources Corporation