

SURFACE USE AGREEMENT

THIS SURFACE DAMAGE AGREEMENT ("Agreement") is entered into by and between Paul L. Eberle Living Trust ("Owner"), whose address is 309 WCR 2, Brighton, Colorado 80603, the owner of the surface of Part of the SE/4, Section 32, Township 1 North, Range 66 West of the 6th P.M. Weld County, Colorado (the "Property"), and SYNERGY RESOURCES CORPORATION ("Company"), whose address is 20203 Highway 60, Platteville, CO 80651 (together "the parties").

WHEREAS, Company owns the leasehold right to access the Property to explore for and produce oil and gas therefrom; and,

WHEREAS, Company and Owner desire to enter into this Agreement as a supplement to, but not in derogation of, Company's leasehold rights;

WHEREAS, Company indemnifies the Owner of any Environmental issues that may arise from the Oil and Gas Drilling and/or Oil and Gas Production from the said wells below. This includes, but is not limited to; Oil Spills, Flow-back Spills, Production Emissions, Gas line/ Flow Line leaks. The indemnification by Company in this paragraph is in addition to the surface damages release and discharge by Owner as enumerated in the third paragraph below.

WHEREAS, The Owner acknowledges that the payment herewith is full payment for all Drilling and Future Operations Damage. This includes any Grazing loss for the 2014 season.

NOW THEREFORE; in consideration of the terms and conditions and the mutual promises and covenants contained herein:

Owner hereby releases and discharges Company, its agents, employees, contractors and licensees from and against any and all claims by Owner for surface damages, including: locating, drilling, stimulating, completing, re-stimulating, recompleting, deepening, producing, maintaining, plugging, and abandoning the oil and gas well shown below, whether as a dry hole or at the end of its productive life; installing and operating associated pipelines and production facilities; and, constructing, maintaining and reclaiming the well pad, production facilities, pipelines and roads (collectively the "Operations") (the well and production facilities are hereinafter collectively referred to as the "Well"):

SRC EBERLE 13-32NHZ, SRC EBERLE 13-32CHZ, SRC EBERLE B-32NHZ, SRC EBERLE B-32CHZ, SRC EBERLE 14-32NHZ and SRC EBERLE 14-32CHZ

The parties agree that Company shall have the right to drill multiple directional/horizontal wells from the single site referenced above. Company shall pay Owner the sum of \$20,000.00 (twenty-thousand) for the drilling of each well each time a well is drilled on or from the location, the associated production equipment for each well installed on the property by Company. Synergy plans to drill a minimum of four (4) wells commencing on or around March 1st, 2014. Synergy will pay Eberle the per well fee two (2) weeks prior to the commencement of the location being built for the drilling operations.

AND,

Owner hereby grants, demises and conveys such easements and rights-of-way on and across the Property as are identified on Exhibit A attached hereto.

ADDITIONAL PROVISIONS

1. Company may exercise its rights hereunder for all purposes necessary for Company to perform the Operations, including the right of ingress and egress across the Property to access the Well, and to install and operate pipelines. Company may assign or delegate to a third party the right to install and operate pipelines in order to connect the Well to a gas gathering system. The access easement shall be non-exclusive and capable of use by Owner and its successors, lessees and assigns.
2. Notwithstanding Owner's release of Company from any and all surface damage claims, Company shall compensate Owner for damage to personal property or to improvements on the Property, such as damage to buildings, fences, gates, culverts and livestock, and for other such extraordinary losses or damages caused by Company, its agents, contractors or employees. Company agrees to promptly compensate Owner for such extraordinary losses and damages. Any failure to reach mutual agreement with respect to such compensation shall not, however, be deemed to constitute a breach or abrogation of this Agreement, nor to terminate or diminish the grants, conveyances, rights and obligations related to the production under the terms of the mineral lease contained herein.
3. Company hereby agrees to indemnify and hold Owner harmless from and against any and all third party claims, losses, liability, damages, and causes of action for personal injury or property damage arising out of Company's Operations, unless, and to the extent that, Owner's negligence causes or contributes to such third party claims.
4. Owner has requested that all consultation be conducted directly with Owner. Accordingly, Owner shall have the responsibility of notifying any affected tenant, lessee or other party who may own or have an interest in any crops or surface improvements, which could be affected by the Operations. Owner agrees that all damages claimed by a surface tenant, lessee or other such party resulting from the Operations shall be settled by Owner, and Owner hereby agrees to indemnify and hold Company harmless from and against any such claims.
5. Company agrees to perform all reclamation in accordance with the rules and regulations of the Colorado Oil & Gas Conservation Commission ("COGCC"), unless a variance therefrom is granted by the COGCC upon the request of Owner. Company shall keep the well pad, the production facilities, and the pipeline and access easements free of weeds and debris.
6. Commencement of the Operations with heavy equipment is estimated to begin on a date to be determined by the Company but following appropriate notice as set forth in the rules and regulations of the COGCC. Owner accepts this notice and acknowledges that this notice complies with, or hereby waives, all COGCC requirements that it be given advance notice by Company of the proposed Operations. Owner acknowledges receiving from Company a brochure prepared by the COGCC which describes the rights and responsibilities of Owner as the surface owner.
7. Company shall construct and install the well pad, roads, pipelines and production facilities, including, but not limited to, pumping units, tanks, heater/treaters, separators and

emission control units, at the specified surface locations and with the size and design shown on Exhibit A attached hereto. Owner acknowledges and agrees that Company has consulted in good faith with Owner as to its proposed Operations, in accordance with COGCC requirements, or hereby waives such requirements. Owner expressly waives the application of any COGCC setbacks inconsistent with this Agreement, including, but not limited to, setbacks for high density areas and surface lot lines.

8. Owner expressly acknowledges and agrees that this Agreement shall be deemed to be specifically applicable to, and to fully satisfy, the obligation of Company to accommodate Owner's use of the surface of the Property, existing or future, and waives any statutory or common law claim to the contrary.

9. Owner agrees to include a note on any annexation, subdivision plat, planned unit development or other land use designation for which Owner may apply to put successors or assigns on notice that the Property is subject to this Agreement.

10. In construing this Agreement, no consideration shall be given to the fact or presumption that one party has had a greater or lesser hand in drafting this Agreement than any other party. Any and all exhibits attached hereto, and all defined or industry terms used, are incorporated herein by reference for all purposes.

11. This Agreement shall be subject to, and construed under, the laws of the State of Colorado, without regard to its conflict of law provisions, and jurisdiction and venue shall be solely in the courts of the State of Colorado, subject to the right of either party to remove a matter to federal court if jurisdictionally authorized under the Federal Rules of Procedure.

12. Each of the undersigned principals of the parties represents and warrants that such person has the requisite corporate or legal authority to bind the respective parties to this Agreement.

13. In the Event that the Mineral Ownership of the 20 acres associated to this Agreement is not owned by the Paul L. Eberle Living Trust, then this Agreement will be deemed null and void.

14. Concerning any matter relating to the Operations, Owner may contact:

Operator:	SYNERGY RESOURCES CORPORATION
Person to Contact:	CRAIG RASMUSON
Address:	20203 HIGHWAY 60 PLATTEVILLE, CO 80651
Telephone:	970-737-1073 Office
Email:	craigrasmuson@syrginfo.com
Owner:	PAUL L. EBERLE LIVING TRUST
Person to Contact:	DAVID EBERLE
Address:	309 WCR 29 BRIGHTON, CO 80603
Telephone:	818-983-8057
Email:	deberle@epiconst.com

14. This Agreement shall extend to and bind Owner and Company, and their respective heirs, personal representatives, successors and assigns.

15. This Agreement shall become effective when it is fully executed and shall remain in full force and effect until Company's leasehold estate expires or is terminated, and Company has plugged and abandoned the Well and conducted reclamation in accordance with this Agreement and applicable COGCC rules and regulations.

IN WITNESS WHEREOF, the parties have executed this Agreement this 21st day of December, 2013.

OWNER: PAUL L. EBERLE LIVING TRUST

Paul L. Eberle

By: PAUL L. EBERLE, OWNER

COMPANY: SYNERGY RESOURCES CORPORATION

Cy Rasmuson

By: CRAIG RASMUSON, VICE PRESIDENT OF OPERATIONS

Acknowledgements

STATE OF COLORADO)
COUNTY OF Boulder) §
COUNTY OF WELD)

The foregoing instrument was acknowledged before me by Paul L. Eberle as Owner, this 21st day of December, 2013.

Witness my hand and official seal.



Notary Public, State of Colorado

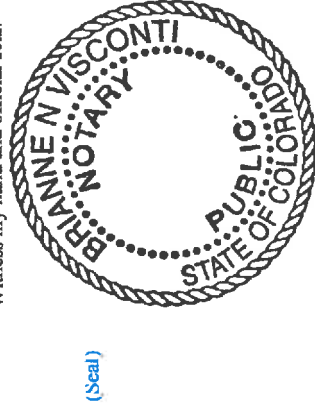
Printed Name: Christopher Cirelli

Commission Expires: 11/12/2014

STATE OF COLORADO)
COUNTY OF WELD)

The foregoing instrument was acknowledged before me by Craig Rasmuson as Vice President of Operations of Synergy Resources Corporation, this 21st day of December, 2013.

Witness my hand and official seal.



Brianna N Visconti
Notary Public, State of Colorado

Printed Name: Brianna N Visconti

Commission Expires: 6/12/2016

EXHIBIT A

SURVEY OF PROPERTY SHOWING DRILLING LOCATIONS, EASEMENTS, ETC

AMENDMENT TO OIL & GAS AND MINERAL LEASE

THIS AMENDMENT TO THAT CERTAIN OIL AND GAS AND MINERAL LEASE entered into the 21st day of December, 2013, by and between Paul L. Eberle Living Trust, Paul L. Eberle, Trustee whose address is 2484 Yarmouth Ave, Boulder, CO 80301, hereinafter called Lessor (whether one or more); and Synergy Resources Corporation, a Colorado corporation, 20203 Highway 60, Platteville, CO 80651, hereinafter called Lessee

On August 27, 2012 Lessor, named above, executed and delivered to Lessee, named above, an Oil & Gas Lease (the "Lease"), which is recorded at Reception No. 3872618 in the records of Weld County, Colorado. The above said Lease covers the following lands (the "Lands"):

Township 1 North, Range 66 West of the 6th P. M.
Section 32: The North 660.00 feet of the South 1815 feet of the East one-half of the Southeast one-quarter of Section 32.
Containing 20.00 acres more or less.

Lessors, Lessees or their Assigns agree that the Lease as described above is valid, in force, and in full effect. It is the desire of the Lessors, Lessees or their Assigns to amend the Lease by making the Lease a Surface Use Lease subject to the terms and conditions of a separate Surface Use Agreement between Lessor and Lessee and specifically removing the language by this amendment annotating the original Lease as a non-surface use Lease.

The Royalty is hereby changed to read **Twenty (20%) Percent** and not Sixteen (16%) Percent.

All express and implied covenants of the lease shall be subject to all federal and state, county or municipal laws, executive orders, rules and regulations, and lessee's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time as compliance with such obligations and covenants is prevented or hindered by or is in conflict with federal, state, county, or municipal laws, rules, regulations or executive orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, fracking bans, lockouts, riots, fracking bans and/or moratoriums upon well completions and/or production restrictions, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting drilling, completion, reworking, and/or production operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of this lease.

This Amendment to Oil and Gas Lease may be executed in multiple counterparts, but all the counterparts, taken together, shall be deemed one Amendment. This Amendment to Oil and Gas Lease is executed by each Lessor as of the date of acknowledgment of their respective signatures, but shall be deemed effective for all purposes as of the Effective Date stated above.

Paul L. Eberle Living Trust

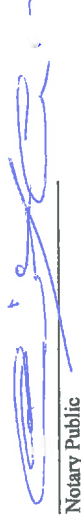


Lessor: Paul L Eberle

STATE OF Colorado §
COUNTY OF Boulder §

ACKNOWLEDGEMENT

The foregoing instrument was acknowledged before me this 21st day of December 2013, by Paul L Eberle to me known to be the identical person(s) described herein, and who executed the within and foregoing instrument of writing and acknowledgment to me that _____ duly executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.
Witness my hand and official seal.


Notary Public

My commission expires: 11/12/2014

CHRISTOPHER CIRELLI
Notary Public
State of Colorado