



January 16, 2014

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

Re: **Rule 502.b Variance Request to Rule 318A.m.**  
Union A-5CHZ  
Township 2 North, Range 68 West, 6<sup>th</sup> P.M.  
Section 5  
Weld County, Colorado

Dear Director:

Synergy Resources Corporation is applying for a permit to drill the above captioned horizontal well. Pursuant to Rule 318A.m., the COGCC requires that operators proposing horizontal wells obtain waivers from operators of wells within 150 feet of the proposed horizontal wellbore.

As currently planned, the wellbore of the following well which is operated by Encana Oil & Gas (USA) Inc., lies 65 feet from the horizontal lateral of the above captioned well:

1) Pietrzak #1                      05-123-10241

Synergy has made numerous attempts to contact and obtain a Waiver to Rule 318A.m. from Encana Oil & Gas (USA) Inc. regarding the Pietrzak #1. Encana has rights to only the wellbore. Through litigation, the mineral owner has the right to require Encana to plug and abandonned the Pietrzak #1 and will compell them to do so upon Synergy's request.

The location of the Union Union A-5CHZ is essential to Synergy's ability to maximize the resevoir, and has been spaced according to our engineers' advice.

Synergy respectfully requests that the Director approves the Union 5AHZC proposed horizontal well, with the knowledge that Synergy will conduct a gyro survey to determine any anti-collision hazards prior to drilling, and will work with Encana to ensure that completion operations will not be conducted until the Pietrzak #1 is plugged and abandonned.

Should you have any questions, please contact Craig Rasmuson at 970-737-1073

Sincerely,

Craig Rasmuson  
Vice President of Operations  
Synergy Resources Corporation