



received  
7/1/2014

July 01, 2014

Noble Energy Production, Inc.  
Attn: Dave Lillo  
840 Grand Avenue  
Platteville, Colorado 80651

RECEIVED  
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Synergy Resources

RE: Rule 318A.m Minimum Intrawell Distance Exception  
SRC Wiedeman 21-5-3CHZ  
SHL: 1393' FNL, 2438' FEL, NWNE Sec. 5-T5N-R66W,  
Top of Producing Zone Location: 871' FNL, 2178' FEL, NWNE Sec. 5-T5N-R66W  
BHL: 871' FNL, 2155' FWL, NWNE Sec. 3-T5N-R66W

Ladies and Gentlemen,

Synergy Resources (Synergy) is applying to the Colorado Oil and Gas Conversation Commission (COGCC) to drill the above referenced well at the described surface and bottom hole locations. Per COGCC Rule 318A.m, no horizontal wellbore lateral shall be located less than one hundred fifty (150) feet from any existing or permitted oil or gas wellbore unless waived in writing by the operator of the encroached upon well. As currently planned, the horizontal wellbore lateral of the above well will lie within 150 feet of the wellbore of the captioned wells:

Kelly # 2-3, API #: 05-123-11722, Operated Noble Energy Production, Inc: PA

Per COGCC Rules Synergy is required to get the offset well operator's approval in writing and a waiver of said Rule 318A.m. The well is planned as above to maximize mineral recovery. Also enclosed is a Well Location Plat that shows the planned wellbore.

Should you find this acceptable please indicate so by signing the below section and returning the signed letter either via email to [sonia.spencer@iptenergyservices.com](mailto:sonia.spencer@iptenergyservices.com) or by fax. Please contact the undersigned at 720-420-5800 with any questions.

Sincerely,

Sonia Spencer  
Project Management Permitting  
Integrated Petroleum Technologies, Consultants to Extraction Oil & Gas LLC

**Gerald T. Sullivan**  
**Sr. Land Negotiator Advisor**, officer, agent, or employee of Great Western Onshore, Inc, operator of the affected well, with full power to execute the following, do hereby approve of the Synergy Resources SRC Wiedeman 21-5-3CHZ well as listed above in Section 5, T5N-R66W and grant a waiver COGCC Rule 318A.m granting that this well may drilled as planned.

Signed Gerald T. Sullivan this 2nd day of July, 2014  
CS  
NJC

150 ft Waiver –Stipulations to Agreement

**Liability:**

Notwithstanding anything contained to the contrary in any Joint Operating Agreement entered into by Noble Energy, Inc. (Vertical Operator) and Synergy Resources Corp. (Horizontal Operator) covering the SRC Wiedeman 21-5-3CHZ well, any damage caused to the Kelly 2-3 well (API No. 123-11722) by the drilling of the SRC Wiedeman 21-5-3CHZ well shall be the sole responsibility of Synergy Resources Corp., and as between Synergy and Noble, Synergy agrees to accept sole liability and indemnify, defend and hold Noble harmless for such damage.

**Responsibilities & Costs:**

The Horizontal Operator will determine if cased well directional surveys need to be performed on the vertical wells in question. If required, the work will be executed by the Vertical Operator on a schedule mutually agreed to by the Vertical Operator and the Horizontal Operator. A flat rate fee of \$15,000/well will be charged to the joint account of the subject horizontal wellbore for gyro surveys for all vertical wells within 150' of the horizontal wellbore that require gyro surveys.

**Technical Research:**

The Horizontal Operator will be responsible for technical review and risk assessment of conducting horizontal operations near said vertical wellbores. This review will include consideration of vertical wellhead pressure ratings, collision risk, and wellbore cement and general integrity including surface casing depth. Horizontal Operator's execution hereof shall serve as Horizontal Operator's request for all pertinent well data from the Vertical Operator.

**Timing:**

At least 30 days prior to the horizontal well spud date and at least 60 days prior to its completion date, the Vertical Operator shall be notified. The purpose of this notification is to ensure that Vertical Operator equips the vertical wells for monitoring. In heavy agricultural use areas, additional time may be required to plan and access wellheads.

Election: Signed this 2<sup>nd</sup> day of July, 2014.

Horizontal Operator agrees to the Stipulations set forth above: \_\_\_\_\_  
*[Signature]*

Vertical Operator agrees to the Stipulations set forth above: \_\_\_\_\_  
*[Signature]* CS MSC

Gerald T. Sullivan  
Sr. Land Negotiator Advisor