



February 11, 2015

VIA ELECTRONIC TRANSMITTAL

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

RE: Rule 318.A.e.
SRC Markham 12-16CHZ
NWNE, Section 16, Township 4 North, Range 68 West
Weld County

Dear Mr. Lepore,

Synergy Resources Corporation (SRC) is planning to drill the captioned horizontal well in accordance with the provision of COGCC Rule 318A.e.

SRC's proposed wellbore spacing unit consists of:
Sec. 16-4N-68W: N/2

The spacing unit is a 320-acre wellbore spacing unit for the Codell formation.

Synergy Resources Corporation hereby certifies to the Director that SRC owns 100% interest in the proposed spacing well bore spacing unit for the above said well, and request the Director to approve the Horizontal well.

If you have any questions or issues regarding this permit, please contact Alyssa Andrews at 720-420-5749.

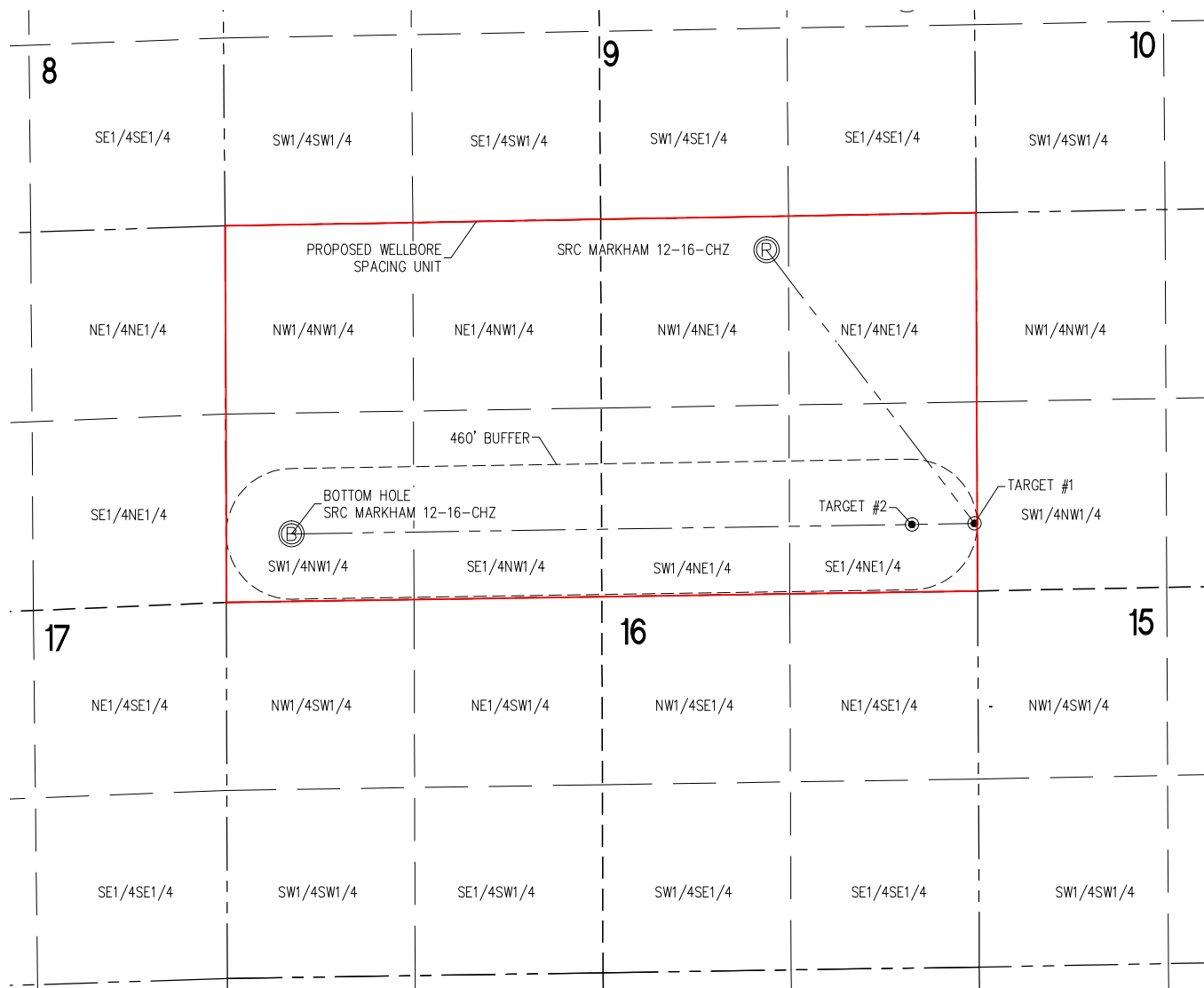
Respectfully,

Alyssa Andrews
Agent for Synergy Resources Corporation

SITE SKETCH

SRC MARKHAM 12-16-CHZ

SECTION 16
TOWNSHIP 4 NORTH
RANGE 68 WEST



SURFACE HOLE:
LATITUDE: 40.320034° N
LONGITUDE: 105.004117° W
BOTTOM HOLE:
LATITUDE: 40.314596° N
LONGITUDE: 105.016141° W

TARGET #1:
LATITUDE: 40.314722° N
LONGITUDE: 104.998906° W
TARGET #2:
LATITUDE: 40.314711° N
LONGITUDE: 105.000484° W

NOTES:

- 1) THIS SKETCH DOES NOT REPRESENT A BOUNDARY SURVEY.
- 2) THE DATUM FOR THE LATITUDES AND LONGITUDES ON THIS SKETCH IS NAD83.



0 1200
Scale 1" = 1200 ft