



January 7, 2015

K B Markham Farms LLLP
2464 County Road 46
Berthoud, CO
80513-9127

Re: COGCC Rule 318A.a.: Exception Location Waiver
COGCC Rule 318A.c.: Twinning Exception Location Waiver
SRC Markham Pad: NWNE: Section 16, Township 4 North, Range 68 West
Weld County, Colorado

Dear Surface Owner,

Synergy Resources Corporation is planning to drill the following 8 horizontal wells:

| | |
|---|------------------|
| SRC Markham 12-16CHZ: : 253' FNL, 1477' FEL | Sec.16, T4N-R68W |
| SRC Markham 12-16NHZ: 253' FNL, 1492' FEL | Sec.16, T4N-R68W |
| SRC Markham A-16CHZ: 253' FNL, 1507' FEL | Sec.16, T4N-R68W |
| SRC Markham A-16NHZ: 253' FNL, 1522' FEL | Sec.16, T4N-R68W |
| SRC Markham F-16CHZ: 253' FNL, 1537' FEL | Sec.16, T4N-R68W |
| SRC Markham F-16NHZ: 253' FNL, 1552' FEL | Sec.16, T4N-R68W |
| SRC Markham 11-16CHZ: 253' FNL, 1567' FEL | Sec.16, T4N-R68W |
| SRC Markham 11-16NHZ: 253' FNL, 1582' FEL | Sec.16, T4N-R68W |

The surface locations of Synergy's proposed wells have been staked outside of the COGCC Rule 318A.a. Greater Wattenberg Area (GWA) Drilling Window and are being permitted as exception locations. In addition, under the COGCC Rule 318A.c. any new well is to be located within 50 feet of an existing well. Synergy's proposed wells are located greater than fifty feet from the nearest Oil & Gas well. Synergy Resources Corporation respectfully requests that you, as surface owner, waive rules 318A.a. & 318A.c. in order to drill the referenced wells. Please sign and return one copy of this letter in the self-addressed stamped envelope provided herein.

Should you have any question or require additional information, please do not hesitate contacting me at (720)-420-5749 or by email: nick.curran@iptenergyservices.com

Respectfully,

Nick Curran
Reg. Tech.
Agent for Synergy Resources Corporation



Enclosures: Copy of waiver letter to be signed and returned/Self-addressed stamped envelope

I/We/hereby accepts waiver of COGCC Rules 318A.a. & 318A.c. as it applies to above referenced Synergy Wells located in NWNE: Section 16, Township 4 North, Range 68 West Weld County, Colorado

K B Markham Farms LLLP

Signed by:

Bruce Markham

Name:

K+B Markham Farms LLLP

Date:

Jan 9 2015