



February 17, 2015

Noble Energy, Inc.  
1625 Broadway Ste. 200  
Denver, Colorado 80202

RE: Rule 317.s. Statewide Fracture Stimulation Setback

**SRC Evans P-26-23-14CHZ Well**

**SHL: 1953'FNL, 2590'FEL, SWNE Sec. 26-T5N-R66W,**

**Top of Producing Zone Location: 2185'FNL, 2279'FEL, Sec.26-T5N-R66W**

**BHL: 2185'FSL, 2279'FEL, Sec.14 -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 317.s., 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:

Gilbert #2, API # 05-123-11578, Operated by Noble Energy: PR

UPV 23-2H6, API #05-123-18627, Operated by Noble Energy: PR

Per COGCC Rules Synergy is required to get the offset well operator's approval in writing and a waiver of said Rule 317.s. 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 [alyssa.andrews@iptenergyservices.com](mailto:alyssa.andrews@iptenergyservices.com) or by fax at 720-420-5800. Please contact the undersigned at 720-420-5700 with any questions.

Sincerely,

Alyssa Andrews  
Operations Engineer  
Integrated Petroleum Technologies

Gerald T. Sullivan  
Sr. Land Negotiator Advisor

I, \_\_\_\_\_, officer, agent, or employee of Noble Energy, Inc. , operator  
of the affected well, with full power to execute the following, do hereby approve of the Synergy Resources  
SRC Evans P-26-23-14CHZ well as listed above in Section 26 ,T5N-R66W and grant a waiver COGCC Rule  
317.s. granting that this well may drilled as planned.

Signed Gerald T. Sullivan this 23 day of February, 2015

DHS  
CS

## 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 (Horizontal Operator) covering the SRC Evans P-26-23-14CHZ well, any damage caused to the Gilbert #2 well (API No. 05-123-11578) or the UPV 23-2H6 well (API No. 05-123-18627) by the drilling of the SRC Evans P-26-23-14CHZ well shall be the sole responsibility of Synergy Resources, 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 23<sup>rd</sup> day of February, 2015.

Horizontal Operator agrees to the Stipulations set forth above: \_\_\_\_\_

Vertical Operator agrees to the Stipulations set forth above: Gerald T. Sullivan

CS

Gerald T. Sullivan  
Sr. Land Negotiator Advisor