



1625 Broadway Street | Suite 300
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November 21, 2016

Ed and Susie Orr
1813 61st Avenue, Suite 200
Greeley, CO 80634

RE: Rule 305 and Rule 306 Notice and Consultation Waiver

Township 6 North, Range 67 West, 6th P.M.

Section 36: NE/4SE/4

Well Name(s): Orr 25C-32-M, Orr 25N-32B-M, Orr 11N-32C-M, Orr 11C-32-M, Orr 11N-32B-M, Orr 23C-32-M, Orr 23N-32B-M, Orr 23N-32A-M, Orr 14N-32C-M, Orr 14C-32-M, Orr 36N-32B-M, Orr 36C-32-M, Orr State 25C-35-M, Orr State 25N-35B-M, Orr State 10N-35C-M, Orr State 10N-35A-M, Orr State 10C-35-M, Orr State 23N-35C-M, Orr State 23C-35-M, Orr State 15N-35B-M, Orr State 15C-35-M, Orr State 36N-35B-M, Orr State 36C-35-M, Orr State 36N-35C

Dear Mr. & Mrs. Orr,

Synergy Resources Corporation (“Synergy”) is applying for permits to drill (“APDs”) for the above-described wells (“Subject Wells”) located on your property. Colorado Oil and Gas Conservation Commission (“COGCC”) Rule 305.d. provides, among other things, that surface owners be given at least 20 days to post comments on a pending APD (Form 2). Synergy originally submitted the APDs on or about October 17, 2016. Accordingly, you have already been provided with an opportunity to provide comment for the Subject Wells. However, on November 17, 2016, COGCC staff notified Synergy of its decision to reject the original APDs as a result of various technical errors within the documents.

Rule 303.i.(2) allows the Director to issue permits at any time in the event the operator files a sworn statement and demonstrates to the Director’s satisfaction that, due to exigent circumstances, significant economic hardship to a drilling contractor will result or significant economic hardship to an operator in the form of drilling stand by charges will result. If the Director issues a permit under Rule 303.i., the operator “shall not be required to meet obligations to Surface Owners, local governmental designees, the Colorado Department of Public Health and Environment, or Colorado Parks and Wildlife under Rule 305 (except Rules 305.f.(4) and 305.f.(6), for which compliance will still be required) and Rule 306.” *See* Rule 303.i.

Prior to COGCC Staff’s rejection of the APDs, Synergy entered a drilling contract governing the drilling of the Subject Wells. As part of its agreement with the drilling contractor, the contractor will begin setting conductor casing on the Subject Wells on or about December 9, 2016. Without expedited approval of the APDs, and waiver of notice, comment and consultation



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requirements to Surface Owners, the local government designee, CDPHE and CPW, Synergy will be unable to commence operations with heavy equipment by December 9, 2016, and will be faced with laying down the rig.

Synergy is diligently working to correct and supplement all required information needed for the APDs; however, if Synergy is required to comply with Rules 305 and 306 notice, comment and consultation requirements for the revised APDs, it will result in significant economic hardship to Synergy because Synergy will be required to lay down the rig. Accordingly, pursuant to Rule 303.i.(2), Synergy has requested that the Director issue expedited approval of the APDs submitted for the Subject Wells and waive all obligations to Surface Owners, the local government designee, CDPHE and CPW under Rules 305 and 306. Synergy intends to commence operations for the Subject Wells immediately upon APD approval.

Rule 305.c.(5) provides that any notices to be given to the Surface Owner or Local Government Designee may be waived in writing by the Surface Owner or Local Government Designee. Moreover, Rule 306.a.(2) provides that a Surface Owner may waive, permanently or otherwise, his right to consult with the Operator.

In furtherance of its request for expedited approval of the APDs for the Subject Wells, Synergy respectfully requests that you waive your rights to notice, comment and consultation under Rules 305 and 306 for the Subject Wells. Please sign and date the consent page and return one copy of this letter to Synergy in the self-addressed stamped envelope provided herein.

If you should have any questions or require additional information, please do not hesitate contacting me at 720-616-4365 Thank you for your consideration of this matter.

Sincerely,

Brian DeRose
Synergy Resources Corporation



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Ed Orr and Susie Orr, Surface Owner(s)

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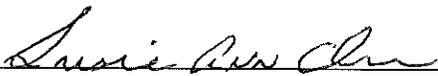
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I/We hereby waive all notice, comment and/or consultation requirements under Rules 305 and 306 as the same pertain to the above-described wells.

 21 Nov 16

Ed Orr

Date

 11/21/2016

Susie Orr

Date