



March 17, 2017

Synergy Resources Corporation
1625 Broadway, suite 500
Denver, CO 80202

RE: Rule 317.s. Statewide Fracture Stimulation Setback

Well: AD-Dairy C6-20-24

SHL: 2020' FSL, 369' FWL, NWSW Sec. 21-T5N-R65W,

Top of Producing Zone Location: 1763' FSL, 460' FEL, Sec. 20-T5N-R65W

BHL: 1843' FSL, 2211' FEL, Sec. 24-T5N-R66W

Dear Operator,

Extraction Oil & Gas, LLC (Extraction) 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 well:

Duell #2, API # 05-123-12788, Operated by Synergy Resources Corporation, Closest distance: 133 feet

Per COGCC Rules, Extraction 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 aandrews@extractionog.com or by mail. Please contact the undersigned at 720-481-2379 with any questions.

Sincerely,

Alyssa Andrews
Regulatory Analyst
Extraction Oil & Gas, LLC

I, Nick Soerue, officer, agent, or employee of Synergy Resources Corp operator of the affected well, with full power to execute the following, do hereby approve of the **AD-Dairy C6-20-24** well as listed above in **Sec. 21-T5N-R65W** and grant a waiver COGCC Rule 317.s. granting that this well may drilled as planned.

Signed *[Signature]* this 17 day of Mar, 2017
COO-Development