BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)
SYNERGY RESOURCES CORPORATION FOR)
AN ORDER CONFIRMING A 480-ACRE WELLBORE) CAUSE NO. 407
DRILLING AND SPACING UNIT AND POOLING ALL)
INTERESTS THEREIN FOR THE CODELL AND)
NIOBRARA FORMATIONS IN THE S/2 OF SECTION) DOCKET NO. 1409-UP-257
32 AND SE/4 OF SECTION 31, TOWNSHIP 1 NORTH)
RANGE 66 WEST, WATTENBERG FIELD AREA,)
WELD COUNTY, COLORADO)

AMENDED APPLICATION

COMES NOW, Synergy Resources Corporation ("Applicant"), by its attorneys, Lohf Shaiman Jacobs Hyman & Feiger PC, and submits its **amended** application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission"), for an order confirming a 480-acre designated wellbore spacing unit for the horizontal Eberle 14-32-31NHZM (API # 05-123-38956) well to the Niobrara Formation, and the horizontal Eberle 14-32-31CHZM (API # 05-123-38957) well to the Codell Formation, and pooling all interests therein, in certain lands in the Wattenberg Field, Weld County, Colorado, stating:

- 1. Applicant is duly organized and authorized to conduct business in the State of Colorado.
- 2. Applicant owns leasehold interests in the following described lands in Weld County, Colorado, containing approximately 480-acres (hereinafter, the "Application Lands"):

Township 1 North, Range 66 West, 6th P.M.

Section 31: SE1/4 Section 32: S1/2

- 3. Pursuant to Commission Rule 318A.a.4.D, Applicant has duly designated the Application Lands as an approximate 480-acre wellbore spacing unit for the horizontal Eberle 14-32-31NHZM (API # 05-123-38956) well to the Niobrara Formation, and the horizontal Eberle 14-32-31CHZM (API # 05-123-38957) well to the Codell Formation (collectively, the "Wells"), for production of oil, gas and associated hydrocarbons from the Application Lands.
- 4. Applicant has drilled or is in the process of drilling and completing the Wells on such designated wellbore spacing unit.
- 5. To promote efficient drainage of said Formations in the Application Lands, to protect correlative rights and avoid waste, the Commission should confirm the designated wellbore spacing unit of approximately 480 acres, consisting of the Application Land, for the Wells.

- 6. A spacing unit of the size and shape specified above is not smaller than the maximum area that can be economically and efficiently drained by a single horizontal well to the Niobrara and/or Codell Formations in the Application Lands.
- 7. At least 30 days prior to the hearing on this **amended application**, the Applicant will have sent all owners listed on **Exhibit A**, who have not previously consented to lease or otherwise participate in the Wells, an Authority for Expenditures ("AFE") and offer containing all information required under Commission Rule 530.b., and if they are an unleased mineral owner, an offer to lease which is reasonable based on the factors listed in Commission Rule 530.c.
- 8. Applicant anticipates that one or more of such owners will refuse or fail to respond to such offer to lease or participate in the drilling, completion and operation of the Wells, and shall be deemed non-consenting parties under Commission Rule 530.b and c.
- 9. An order of the Commission pooling all interests in an approximate 480-acre designated wellbore spacing unit composed of the Application Lands shall therefore be necessary in order to **subject non-consenting owners to the cost recovery provisions of §34-60-116(6)** and (7), and thereby afford each owner of an interest in such unit the opportunity to recover and receive its just and equitable share of the oil and/or gas from the common source of supply underlying the unit.
- 10. The granting of the requested order would not be prejudicial to the owners in the unit and would protect correlative rights.
- 11. The requested pooling order should be effective as of the date of **the original application**, or the date that costs specified by §34-60-116(7)(b) C.R.S. were first incurred by Applicant for the drilling of the Wells, whichever is first in time.
- 12. The names and addresses of interested parties in the unit according to the information and belief of the Applicant are set forth on the annexed **Exhibit A**.

WHEREFORE, Synergy prays that this matter be set for hearing, notice of said hearing be given as required by law, if no protests are timely received the matter be considered pursuant to Rule 511(b), and the Commission enter an Order confirming the approximate 480-acre designated wellbore spacing unit and pooling all interests in the Application Lands with respect to production of the Codell and Niobrara formations, and that such Order:

- (1) be upon terms and conditions which are just and reasonable and afford to the owner of each interest the opportunity to recover or receive, without unnecessary expense, his just and equitable share of oil and gas;
- (2) provide that production obtained from the pooled tract be allocated to each owner therein on the basis of the proportion that the number of mineral acres held by each owner in the drilling unit bears to the total number of mineral acres within the drilling unit;

- (3) provide that with respect to the Wells the consenting parties be allowed to recover from any non-consenting owner's share of production the penalty costs as provided in § 34-60-116 (7)(b) C.R.S.; and
- (4) require the operator to provide each non-consenting interest owner in the Unit with monthly statement of costs incurred together with the quantity of oil and gas produced and proceeds realized, pursuant to §34-60-116(8) C.R.S.

Dated: August 7, 2014.

LOHF SHAIMAN JACOBS HYMAN & FEIGER PC

By: J. Michael Morgan #7279

950 S. Cherry Street, Suite 900

Denver, CO 80246

(303) 753-9000; (303) 753-9997 (fax)

mmorgan@lohfshaiman.com

Applicant's Address: 20203 Highway 60 Platteville, CO 80651

EXHIBIT "A" TO APPLICATION OF SYNERGY RESOURCES CORPORATION

Applicant:

Synergy Resources Corporation

20203 Highway 60 Platteville, CO 80651

Applicant's Attorney:

J. Michael Morgan, Esq.

Lohf Shaiman Jacobs Hyman & Feiger PC

950 South Cherry Street, Suite 900

Denver, CO 80246

Local Government Designee:

Tom Parko

Weld County

1555 North 17th Street Greeley, CO 80631

Interested Parties in T1N, R66W, Section 31: SE/4, and Section 32: S½

Working Interest Owner:

Synergy Resources Corporation 20203 Highway 60 Platteville, CO 80651

Leased Mineral Owners:

12576 Holdings, LLC 12576 County Road 2 1/4 Brighton CO 80603

736 Baseline, LLC PO Box 1176 Brighton CO 80603

995 Partners, LLC PO Box 323 Brighton CO 80601

Alice Ann Morris 2001 W. 156th Avenue Broomfield CO 80023 Alan J. Vaughn and

Lynnette J. Vaughn, as JTs

139 CR 29

Brighton CO 80603

Amanda Wade and Joseph G Lugo, as JTs 13721 County Road 2 Brighton CO 80603

Arthur C. Beierle and Eleanor C Beierle, JTs 16373 County Road 28 Platteville CO 80651

Baseline Place, LLC 193 S 27th Ave., Ste. 200 Brighton CO 80601 Baseline Storage LLC 12550 Brighton Road Brighton CO 80601

BJ Services Company USA 5500 Northwest Central Drive Houston TX 77092

Carol J. Roland 2122 S. Hoyt Way Lakewood CO 80227

Charles W. Davis 13739 CR 2 Brighton CO 80603

Daniel J. Murphy and Linda A. Murphy 10601 E 155th Court Brighton CO 80602

David L Smith and Jeanette A Smith, as JTs 13575 CR 2 Brighton CO 80603

David W. Lewis 1485 S. Andrews Drive Broomfield CO 80020

Delroy Dinkel Living Trust uta November 16, 2011 PO Box 222 Brighton CO 80601

Dennis L. Hinchley and Laura M. Hinchley, as JTs 1430 Falcon Ridge Road Eaton CO 80615

Diesel Service Property LLC PO Box 1176 Brighton CO 80601

Dixie A. Burr 13716 CR 2 1/2 Brighton CO 80603 DLT Rental LLC and DLT Design Inc. dba Industrial Hydraulics & Machine 785 N 9th Avenue Brighton CO 80601

Dorothy A. Lane 7412 County Road 4 Berthoud CO 80513

Dottie Investments LLC 7412 County Road 4 Berthoud CO 80513

Duane D. Bacon 5986 Heather Way 5986 Heather Way Longmont CO 80503

Dynamic Commercial Properties 890 N. 9th Avenue Brighton CO 80603

Gregory W. Wright and Lynn M. Wright, as JTs 13755 CR 2 Brighton CO 80603

Grein Builders LLC 16620 E 168th Avenue Brighton CO 80601

Grein Enterprises LLC c/o Eldor Grein & Marilyn Grein 16620 E 168th Avenue Brighton CO 80601-6635

Kenneth D. Grein & Marion Sue Grein, JTs Nathan D. Grein & Kathy Louise Grein, JTs 13565 Weld County Road 2 Brighton CO 80603

Joaquin Zuniga & Susan Zuniga Revocable Trust, utd May 26, 2004 Joaquin Zuniga & Susan Zuniga, Trustees 3625 Cottonwood Lane Brighton CO 80603 John A. Marottek 17955 Fair Lane Brighton CO 80603

Kerry Wong-Arthur 13566 CR 2 1/2 Brighton CO 80603

KWP LLC 4844 N 300 W, Ste. 2002 Provo UT 84604

Magnolia Enterprises LLC 7290 Magnolia Street Commerce City CO 80022

Mann Family Real Estate- Brighton PO Box 599 Morrison CO 80465

Matthew C Sefcovic and Krystal K Sefcovic as JT 13555 CR 2 Brighton CO 80603

Michael A. Martinez and Yolanda Martinez PO Box 5 Firestone CO 80520

Michael Curtis 13745 CR 2 Brighton CO 80603

Michael Eugene Medina 13595 Weld County Rd 2 Brighton CO 80603

Monaghan Farms, Inc. 7950 E Prentice Ave, Ste. 101 Greenwood Village CO 80111

Morgen Haji-Sarvestani 2071 Wheatberry Court Erie CO 80516 Paul L Eberle as Trustee or his successors In trust under the Paul L Eberle Living Trust Dated February 21 2011 309 Weld County Road 29 Brighton CO 80603

Phoenix Investment Holdings 820 N 9th Avenue Brighton CO 80603

Prestige Equipment LLC 7753 S Waco Street Centennial CO 80016

Quadco Inc. PO Box 576 Brighton CO 80601

Raw Property LLC 785 N 9th Avenue Brighton CO 80603

Reed Real Estate LP PO Box 594 Brighton CO 80601

Robert E. Briggs and Carolyn Kay Brigggs as JTs 181 County Road 27 Brighton Co 80603

Rocky R. Madden PO Box 1056 Brighton CO 80601

Steve Stratton 3985 County Road 19 Ft. Lupton, CO 80603

John R Stinnett and Nancy Stinnett 15193 Arrowhead Drive Brighton CO 80603 Linda Marie Rock 19213 E 160th Avenue Brighton CO 80601

Dale Vernon Cutler and Sharon L. Cutler 12635 Buckley Road Brighton CO 80603

Dan V. Cutler 12637 Buckley Road Brighton CO 80603

Sakata Farms Inc., a Colorado corporation PO Box 508 Brighton CO 80601

Thomas R Neuhoffs 13727 CR 2 Brighton CO 80603

Joe T Casias and Olibama Casias 13646 CR 2 1/2 Brighton CO 80603

Martin Dickey 1820 Rolling Gate Road Fort Collins CO 80526

Anthony Rios 13565 Weld County Road 2.5 Brighton CO 80603

Kenneth B. Sherwood 13615 Weld County Road 2.5 Brighton CO 80603

SG Trust 6845 W Princeton Avenue Denver CO 80235

T&B Ventures PO Box 705 Brighton CO 80601 The Bernice D Kennedy Living Trust 23801 Rigewood Circle Fergus Falls MN 56534-8278

The Ninth Street Trust 790 N 9th Avenue Brighton CO 80603

The Public Service Company PO Box 1979 Denver CO 80201

Theodore Younger and Shirley A. Younger 12666 Ida Street Brighton CO 80603

Weld County Colorado PO Box 758 Greeley CO 80632

WPD, LLC 7107 Reflector Drive Erie CO 80516

Wright Tree Service, Inc. 139 6th Street West Des Moines IA 50265

Vijaya Gurung 401 CR 27 Brighton CO 80603

Vienot Family Trust, Harold A Vienot and Robert H. Vienot, Trustees c/o Harold Vienot 431 County Road 27 Brighton CO 80603

Vienot Family Trust, Harold A. Vienot and Robert H. Vienot, Trustees c/o Robert H. Vienot 9848 E 159th Place Brighton CO 80602

Non-Consenting Mineral Owners or Lessees

Anadarko Exploration & Production Attn: Tom Crouch 1099 18th Street, Ste. 1800 Denver CO 80202

Colorado Dept. of Highways 4201 E Arkansas Ave., Rm 212 Denver CO 80222

CMC Steel Fabricators PO Box 1046 Dallas TX 75221-1046

Damaris Calderon 471 CR 27 Brighton CO 80603

Gerard Joseph Brienza and James Eugene Brienza 12636 Ida Street Brighton CO 80603

Grein Enterprises LLC c/o Eldor Grein & Marilyn Grein 16620 E 168th Avenue Brighton CO 80601-6635

Lorri Dina Purcell 10791 E 96th Place Commerce City CO 80022

Manuel Rivera and Dora Rivera as JTs 13705 Weld County Road 2 Brighton CO 80603 Metro Wastewater Reclamation District 6450 York Street Denver, CO 802

RAW Property LLC 785 N 9th Avenue Brighton CO 80603

Timothy V Keeney 13733 Weld County Road 2 Brighton CO 80603

BLM – Colorado Attn: Kathy Toth 2850 Youngfield Street Lakewood CO 80215

Western Company of North America PO Box 4740 Houston TX 77210

Weld County Colorado PO Box 758 Greeley CO 80632

Yong Yee Lo and Huechie Lo as JTs 13655 CR 2 Brighton CO 80603

Acoma Energy LLC 3801 E Florida Ave, Ste 508 Denver CO 80210

Eagle Energy Rockies LLC 1401 Ballinger Street, #203 Fort Worth TX 76102

BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 1409-UP-257

CERTIFICATE OF MAILING OF AMENDED APPLICATION

I hereby certify that a true and correct copy of the Amended Application in the above-referenced matter before the COGCC was deposited in the U.S. Mail on August 8, 2014, first class postage prepaid, to the interested parties listed in the application submitted to the COGCC regarding the above-referenced Docket Number.

Sharon Fowle

Lohf Shaiman Jacobs Hyman & Feiger PC

950 South Cherry Street, Suite 900

Denver, Colorado 80246 Telephone: (303) 753-9000

Email: sfowle@lohfshaiman.com