

Waste Management Plan Summary for Synergy Resources Corporation

Synergy Resources Corporation (Synergy) plan for the appropriate handling of produced water, drill mud and cuttings, tank bottoms, and other associated Exploration and Production (E & P) wastes is described below:

- E&P wastes onsite will be stored in compatible containers or containment devices designed or engineered for the purposes for which they will be utilized. These containers will be inspected on a regular basis to ensure that no undue wear, structural issues, severe rust, or other defects, which may impact their effectiveness.
- E&P wastes will be transported offsite via truck by a licensed transporter. Frequency of these operations will vary by site based on waste volumes.
- Any soils contaminated by E&P waste will be disposed of by a licensed third-party disposal facility / landfill or at a COGCC approved land farm. Tank bottoms will be disposed of at licensed third-party disposal facilities / land farms. Liquid wastes such as flowback fluid and produced water will be disposed of at licensed third party injection facilities such as those run by High Sierra Water Services.
- Drilling wastes, such as drill cuttings and bentonitic drilling fluids will be reused by land spreading on COGCC approved mud farms per COGCC Rule 907.d.(3). No other E&P wastes will be disposed of at these sites.