

FORM INSP
Rev 05/11

**State of Colorado
Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



DE	ET	OE	ES
----	----	----	----

Inspection Date:
09/08/2014

Document Number:
673801347

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	<input type="checkbox"/>
	<u>434387</u>	<u>434391</u>	<u>Gomez, Jason</u>	2A Doc Num:	

Operator Information:

OGCC Operator Number:	<u>10311</u>
Name of Operator:	<u>SYNERGY RESOURCES CORPORATION</u>
Address:	<u>20203 HIGHWAY 60</u>
City:	<u>PLATTEVILLE</u> State: <u>CO</u> Zip: <u>80651</u>

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Pennington, Dave		dpennington@syrginfo.com	Synergy Inspection

Compliance Summary:

QtrQtr: SEnw Sec: 4 Twp: 5N Range: 66W

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
434385	WELL	DG	05/13/2014	LO	123-38133	Kelly Farms 22-4-3CHZ	PR	<input checked="" type="checkbox"/>
434386	WELL	DG	05/12/2014	LO	123-38134	Kelly Farms 12-4-3CHZ	PR	<input checked="" type="checkbox"/>
434387	WELL	XX	09/26/2013	LO	123-38135	Kelly Farms 22-4-3NHZ #2	XX	<input type="checkbox"/>
434388	WELL	DG	05/29/2014	LO	123-38136	Kelly Farms A-4-3NHZ	PR	<input checked="" type="checkbox"/>
434389	WELL	XX	09/26/2013	LO	123-38137	Kelly Farms 21-4-3NHZ	XX	<input type="checkbox"/>
434390	WELL	DG	06/11/2014	LO	123-38138	Kelly Farms A-4-3CHZ	PR	<input checked="" type="checkbox"/>
434392	WELL	XX	09/26/2013	LO	123-38139	Kelly Farms 21-4-3NHZ #2	XX	<input type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>12</u>	Production Pits: _____
Condensate Tanks: <u>20</u>	Water Tanks: <u>6</u>	Separators: <u>12</u>	Electric Motors: _____
Gas or Diesel Mortors: <u>1</u>	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: <u>1</u>	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: <u>1</u>	VOC Combustor: <u>6</u>	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: <u>1</u>	Flare: _____	Fuel Tanks: _____

Location

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	ACTION REQUIRED	Install Signs at wellheads	Install sign to comply with rule 210.	10/30/2014
BATTERY	ACTION REQUIRED	Install sign at battery to comply with COGCC rules	Install sign to comply with rule 210.	10/30/2014

Emergency Contact Number (S/A/V): SATISFACTORY Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
UNUSED EQUIPMENT	ACTION REQUIRED	Unused hose lyong on location	Remove unused equipment	09/30/2014

Spills:				
Type	Area	Volume	Corrective action	CA Date
Other	Tank	<= 5 bbls	Stained soil in berm area and load out area. Remove or remediate stained soil from site and repair leaks on tank plumbing	10/30/2014

Multiple Spills and Releases?

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Gas Meter Run	5	SATISFACTORY			
Compressor	2	SATISFACTORY			
Ancillary equipment	1	SATISFACTORY	Telemetry Equipment		
Horizontal Heated Separator	4	SATISFACTORY			
Bird Protectors	8	SATISFACTORY			
VRU	3	SATISFACTORY	2 Electric 1 Gas		
Vertical Separator	5	SATISFACTORY			
Ancillary equipment	3	SATISFACTORY	Electrical control boxes		
Emission Control Device	4	SATISFACTORY			

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	2		FIBERGLASS AST	40.431400,-104.784000
S/A/V:	SATISFACTORY		Comment:	
Corrective Action:				Corrective Date:
<u>Paint</u>				
Condition	Adequate			
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
<u>Berms</u>				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficient	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment				

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	2		STEEL AST	40.431750,-104.783740
S/A/V:	SATISFACTORY		Comment: Temporary closed tanks used for floback operation	
Corrective Action:				Corrective Date:
<u>Paint</u>				
Condition				
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
<u>Berms</u>				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Corrective Action				Corrective Date
Comment				

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
CRUDE OIL	8		STEEL AST	40.431400,-104.784000
S/AV:	SATISFACTORY		Comment:	
Corrective Action:			Corrective Date:	
Paint				
Condition	Adequate			
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficient	Base Sufficient	Adequate
Corrective Action			Corrective Date	
Comment				
Venting:				
Yes/No	Comment			
YES	Venting gas from overpressure device on tanks			
Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill			
Location ID: 434387			
Site Preparation:			
Lease Road Adeq.:	Pads:	Soil Stockpile:	
_____	_____	_____	
S/AV: _____			
Corrective Action:	Date:	CDP Num.:	
_____	_____	_____	
Form 2A COAs:			
Group	User	Comment	Date
OGLA	andrewsd	Synergy will use dust abatement products to control dust created by the traffic on the road base access road and dirt operations location.	09/10/2013
OGLA	andrewsd	Synergy will also notify the COGCC via the Form 42 Notice of Notification a minimum of 48 hours prior to: 1) the start of construction; 2) move in rig up; 3) start of production; and 4) any of these same operations that occur after any 12 month or longer period of inactivity at the oil and gas location.	09/10/2013
OGLA	andrewsd	Total automation on site: Synergy will insure that all new equipment on site is automated. The automated equipment is the latest development in safety systems developed specifically for oil and gas industry equipment on the facility. No audible system or device will be on site. Automation will give Synergy the ability to monitor the location 24/7 remotely, and it will also insure in an event of any changes from the normal operations, the location will automatically shut itself in and notify Synergy personnel of the event. This automation will also allow Synergy to limit the number of times the thief hatches need to be opened on the production tanks, as the tank levels will be retrieved from the automated system. The hatches will only be needed to be opened during the pick-up of the oil.	09/10/2013

OGLA	andrewsd	Fugitive emissions monitoring: Synergy will conduct emissions monitoring inspections using a forward-looking infrared (FLIR) camera on a monthly basis. Synergy will maintain a log of the inspections and will retain the FLIR camera video records in accordance with COGCC Rule 205.f. Synergy will remediate any equipment failure or upset conditions identified by the inspections in a timely fashion.	09/10/2013
OGLA	andrewsd	Synergy will comply with all mitigation measures listed in COGCC Rules 604.c. 802, 803, 804, and 805 adopted as of August 1, 2013.	09/10/2013
OGLA	andrewsd	Synergy will use emission control equipment at the oil and gas location with a design rating of 98% reduction efficiency and will provide the COGCC with documentation from the manufacturer stating the design rating.	09/10/2013
OGLA	andrewsd	Noise suppression practices will be used to insure the best management of noise and light during drilling and completion operations. Synergy will install a thirty foot high temporary wall around eighty percent of the location, which will remain in place during drilling and completion operations. Synergy will provide a facility drawing to the COGCC that illustrates the layout of the thirty foot high temporary wall.	09/10/2013
OGLA	andrewsd	Conduct baseline samples and water monitoring: Synergy will conduct surface water sampling in Sheep Draw: 1) before construction commences; 2) one week after production starts; and 3) annually throughout production. At least one surface water sample will be collected upstream, adjacent to, and downstream of the oil and gas location. The initial and subsequent samples will conform with COGCC Rule 609.e, excluding dissolved gases.	09/10/2013
OGLA	andrewsd	Containment of silica dust: Synergy will use a state of the art vacuum system to contain silica dust during drilling and completion operations.	09/10/2013

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Traffic control	Access off 66th Avenue will serve long term production access. Drilling operations will access site from C Street.
Dust control	Synergy is committed to utilize Dust Abatement on all access roads and the drilling pad to help minimize any dust issues for this locaiton during the drilling and completion process.
Planning	Synergy has negotiated the use of an existing water line from the City of Greeley that will allow Synergy to "pipe" all needed drilling and completion water to the location, thus diminishing the truck traffic by over seventy five percent for both phases of the operations.
Storm Water/Erosion Control	Inspections: 1. Perform every 14 days, and following a weather event causing runoff during the construction phase. Perform every 30 days during the completed and interim phases. 2. An inspection report will be filled out, & filed for each inspeaction performed. 3. Make a copy of each inspection report available to the county upon request. Maintenance: 1. Perform maintenance and repairs as soon as possible on items or areas identified in the inspection report. 2. Perform maintenance as indicated in the urban drainage & flood control district, urban storm drainage criteria manual, vol 3, per manufacturer's specifications or other sources determined to be acceptable. An efficient record-keeping system is a helpful tool in managing inspection and maintenance reports. Inspection reports, maintenance records, training logs, and other site related correspondence will be maintained in the master erosion control plan.
Community Outreach and Notification	Synergy Representatives have met with the HOA Representatives for Summer -Park Condominium Complex that is South-west of theProposed site
Construction	All acce3ss roads shall be an all weather access road with a minimum of 6" base course.
Noise mitigation	The proposed location will be constructed with stock pile(s) of construction soils that will be utilized to create a "berm" around the location and then four foot by eight foot hay bales will be stacked on top of the berms in an effort to mitigate the noise and light issues that correspond to the drilling operations.

Interim Reclamation	1. Restoration of any areas disturbed by proposed grading activities shall be done in compliance with the requirements outlined in Section 14 - Vegetation & Irrigation of the storm drainage design criteria and construction standards. 2. A city of Greeley representative shall be on site during all seeding activities to inspect the conditions and ensure compliance with the storm drainage design criteria and construction standards. 3. To schedule this required inspection, please call (970) 336-4074 at least 48 hours in advance of the seeding activities. 4. All seed bags must be turned in to the city of Greeley representative.
Storm Water/Erosion Control	Operator will implement the following Permanent Structural Controls: Vehicle tracking control pad; culvert outlet protection; COGCC approved containment berm; soil rip rap; revegetation; erosion control blanket.
Construction	The Oil Production tanks will be constructed with steel berms and full liners for insurance of containment in the event of an oil spill on location.
Community Outreach and Notification	Synergy Representatives called and visited with various Neighbors in Hunters Cove Subdivision- directly east of the proposed location
Storm Water/Erosion Control	Operator will implement the following Construction Structural BMPs: Vehicle tracking control pad; ditch and berm system; inlet protection; culvert outlet protection; silt fencing; rip rap; straw wattles; surface roughening.
Storm Water/Erosion Control	1. To the extent practicable, erosion and sediment control measures shall be installed prior to grading activities. At all times during project construction, all temporary and permanent erosion and sediment control measures shall be maintained and repaired as needed to prevent accelerated erosion on the site and on any adjacent properties. 2. All topsoil where physically practicable shall be salvaged and no topsoil shall be removed from site except as set forth in the approved plan. Topsoil and overburden shall be segregated and stockpiled separately. Topsoil and overburden shall be redistributed within graded area after rough grading to provide a suitable base for areas which will be seeded and planted. Runoff from stockpiled area shall be controlled to prevent erosion and resultant sedimentation of receiving water. 3. Permanent or temporary soil stabilization measures shall be applied to disturbed areas within 14 days after final grade is reached on any portion of the site. Soil stabilization measures shall be applied within 14 days to disturbed areas which may not be at final grade, but will be left dormant for longer than 30 days. It is recommended that the permanent seed mix be planted after October to keep seedlings from developing before winter. Temporary vegetative cover consisting of annual rye grass shall be hybrid seeded at 20 pounds pure live seed per acre. 4. Fugitive dust emissions resulting from drilling & access road construction activities and/or wind shall be controlled using water. 5. Additional erosion control measures may be required during construction and shall be installed as soon as practical if required by the stormwater administrator or their representative. 6. Area where silt fence is not indicated may require some form of sediment control. Straw mulch and/or temporary seeding may be utilized as necessary.
Dust control	All disturbed areas must be topped with topsoil and re-vegetated by seeding with native dry land grass seed.
Interim Reclamation	Upon removal of the hay bales and final reclamation of the location post drill [COGCC Interim Reclamation], Synergy will install dozens of trees required by the City of Greeley to help permanently mitigate the visual impact of this location to the surrounding neighbors.
Planning	Synergy is working to schedule the drilling and completion operations to take place during the winter months of late 2013 to early 2014.
Storm Water/Erosion Control	Stormwater controls as shown on attached detailed drawings (Doc #1667715).
Storm Water/Erosion Control	Storm water quality Best Management Practice shall be implemented to minimize soil erosion, sedimentation, increased pollution loads and changed water flow characteristics resulting from land disturbing activity to the maximum extent practical, as to minimize pollution of receiving waters.
Community Outreach and Notification	Synergy participated with the City of Greeley USR process "Neighborhood Meeting" on June 24th, 2013.
Community Outreach and Notification	Synergy Representatives have met with Officials from District 6 School District

S/A/V: _____ **Comment:** _____

CA: _____ **Date:** _____

Stormwater: _____

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:
 Name: _____ Address: _____
 Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:
 Landman Name: _____ Phone Number: _____
 Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____
 Request LGD Attendance: _____

LGD Contact Information:
 Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 434385 Type: WELL API Number: 123-38133 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 434386 Type: WELL API Number: 123-38134 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 434388 Type: WELL API Number: 123-38136 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 434390 Type: WELL API Number: 123-38138 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Environmental

Spills/Releases:

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____
 Comment: _____
 Corrective Action: _____ Date: _____
 Reportable: _____ GPS: Lat _____ Long _____
 Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:

DWR Receipt Num: _____ Owner Name: _____ GPS: _____ Lat _____ Long _____

Field Parameters:

Sample Location: _____

Complaint:

Tracking Num	Category	Assigned To	Description	Incident Date
200409513	NOISE	Gomez, Jason	On 7-26-2014 I was contacted by Brad Muller the Local Government Liaison (LGD) for weld county. Mr. Muller indicated he had received some noise complaints from a fracing operation located east of 3rd st and . Mr. Muller said he had put the complaint in contact with Synergy Resources, but he had also received a couple other calls complaining about the noise coming from the site. Mr. Muller indicated when he contacted Synergy they said the fracing operation should be completed by later in the day on 7-26-2014.	07/28/2014

Emission Control Burner (ECB): Y

Comment: _____

Pilot: ON Wildlife Protection Devices (fired vessels): YES

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: COMMERCIAL, RANGELAND

Comment: _____

- 1003a. Debris removed? Pass CM _____
 CA _____ CA Date _____
- Waste Material Onsite? Pass CM _____
 CA _____ CA Date _____
- Unused or unneeded equipment onsite? Pass CM _____
 CA _____ CA Date _____
- Pit, cellars, rat holes and other bores closed? _____ CM _____
 CA _____ CA Date _____
- Guy line anchors removed? _____ CM _____
 CA _____ CA Date _____
- Guy line anchors marked? _____ CM _____
 CA _____ CA Date _____

1003b. Area no longer in use? In Production areas stabilized ? In

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? In

Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Inspector Name: Gomez, Jason

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____ I _____

Comment: _____

Overall Interim Reclamation _____ In Process _____

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: COMMERCIAL, RANGELAND _____

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

Comment: _____

Corrective Action: _____ Date _____

Overall Final Reclamation _____ Well Release on Active Location Multi-Well Location

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

S/A/V: **ACTION REQUIRED** Corrective Date: **09/30/2014**

Comment: **Southeast location as well as Northeast of location has erosion**

CA: **Install BMP's to control Erosion**

Pits: NO SURFACE INDICATION OF PIT

ACTION REQUIRED

ANY ACTION REQUIRED items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)