

**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:  
07/24/2015

Document Number:  
680700252

Overall Inspection:

**ACTION REQUIRED**

**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	424626	424628	Peterson, Tom	<input type="checkbox"/>	

**Operator Information:**

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

- 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, David		dpennington@syrginfo.com	All inspections

**Compliance Summary:**

QtrQtr: NWSW Sec: 34 Twp: 4N Range: 68W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
01/07/2014	674100200	PR	PR	SATISFACTORY	P		No

**Inspector Comment:**

**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
424626	WELL	PR	05/05/2012	GW	123-34118	Margil 13-34D	PR	<input checked="" type="checkbox"/>
424636	WELL	PR	05/01/2012	OW	123-34122	Margil 23-34D	PR	<input checked="" type="checkbox"/>
424637	WELL	PR	05/05/2012	OW	123-34123	Margil 34BD	PR	<input checked="" type="checkbox"/>
424638	WELL	PR	05/05/2012	OW	123-34124	Margil 14-34D	PR	<input checked="" type="checkbox"/>
424639	WELL	PR	05/05/2012	OW	123-34125	Margil 24-34D	PR	<input checked="" type="checkbox"/>

**Equipment:**

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>5</u>	Production Pits: _____
Condensate Tanks: <u>5</u>	Water Tanks: <u>3</u>	Separators: <u>5</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: <u>1</u>	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: <u>2</u>	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

**Location**

<b>Signs/Marker:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	ACTION REQUIRED	Capacity/contents placarding on produced water vaults have faded and are illegible. See attached photos.	Install sign to comply with rule 210.	08/31/2015
BATTERY	SATISFACTORY			
WELLHEAD	ACTION REQUIRED	No sign is present on Margil 14-34D wellhead.	Install sign to comply with rule 210.	08/31/2015

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

Comment: \_\_\_\_\_

Corrective Action: \_\_\_\_\_

<b>Spills:</b>				
Type	Area	Volume	Corrective action	CA Date
Crude Oil	WELLHEAD	<= 5 bbls	Remove or remediate stained soil (<1 bbl) below master valves on Margil 14-34D and 23-34D wellheads. Repair all leaks. See attached photos.	08/31/2015

Multiple Spills and Releases?

<b>Fencing/:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
SEPARATOR	SATISFACTORY	Architectural steel.		
TANK BATTERY	SATISFACTORY	Architectural steel.		
WELLHEAD	SATISFACTORY	Architectural steel x 5		

**Facilities:**  New Tank Tank ID: \_\_\_\_\_

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER		200 BBLS	PBV FIBERGLASS	
S/A/V:	ACTION REQUIRED	Comment:	Areas around produced water vaults have subsided. See attached photos.	
Corrective Action:	Backfill subsided areas.			Corrective Date: 08/31/2015

**Paint**

Condition	Adequate
-----------	----------

Other (Content) \_\_\_\_\_

Other (Capacity) \_\_\_\_\_

Other (Type) \_\_\_\_\_

**Berms**

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment				

**Facilities:**  New Tank Tank ID: \_\_\_\_\_

Inspector Name: Peterson, Tom

Contents	#	Capacity	Type	SE GPS
CRUDE OIL		300 BBLS	STEEL AST	

S/A/V:	SATISFACTORY	Comment:	
--------	--------------	----------	--

Corrective Action:		Corrective Date:	
--------------------	--	------------------	--

**Paint**

Condition	Adequate
-----------	----------

Other (Content) \_\_\_\_\_

Other (Capacity) \_\_\_\_\_

Other (Type) \_\_\_\_\_

**Berms**

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate

Corrective Action		Corrective Date	
-------------------	--	-----------------	--

Comment	
---------	--

**Venting:**

Yes/No	Comment
NO	

**Flaring:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

**Predrill**

Location ID: 424626

**Site Preparation:**

Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

**S/AV:** \_\_\_\_\_

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

**S/AV:** \_\_\_\_\_ **Comment:** \_\_\_\_\_

**CA:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Wildlife BMPs:**

**S/AV:** \_\_\_\_\_ **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: 424626 Type: WELL API Number: 123-34118 Status: PR Insp. Status: PR

**Producing Well**

Comment: PR

**BradenHead**

Comment: Bradenhead is exposed at surface.

CA: \_\_\_\_\_

CA Date: \_\_\_\_\_

Facility ID: 424636 Type: WELL API Number: 123-34122 Status: PR Insp. Status: PR

**Producing Well**

Comment: PR

**BradenHead**

Comment: Bradenhead is exposed at surface.

CA:

CA Date:

Facility ID: 424637 Type: WELL API Number: 123-34123 Status: PR Insp. Status: PR

**Producing Well**

Comment: PR

**BradenHead**

Comment: Bradenhead is exposed at surface.

CA:

CA Date:

Facility ID: 424638 Type: WELL API Number: 123-34124 Status: PR Insp. Status: PR

**Producing Well**

Comment: PR

**BradenHead**

Comment: Bradenhead is exposed at surface.

CA:

CA Date:

Facility ID: 424639 Type: WELL API Number: 123-34125 Status: PR Insp. Status: PR

**Producing Well**

Comment: PR

**BradenHead**

Comment: Bradenhead is exposed at surface.

CA:

CA Date:

**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:

Inspector Name: Peterson, Tom

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: DRY LAND

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? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Guy line anchors removed? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Guy line anchors marked? \_\_\_\_\_ CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

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

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? \_\_\_\_\_

Production areas have been stabilized? \_\_\_\_\_ Segregated soils have been replaced? \_\_\_\_\_

**RESTORATION AND REVEGETATION**

Cropland

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ Perennial forage re-established \_\_\_\_\_

Non-Cropland

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ 80% Revegetation \_\_\_\_\_

1003 f. Weeds Noxious weeds? \_\_\_\_\_

Comment: \_\_\_\_\_

Overall Interim Reclamation \_\_\_\_\_

**Final Reclamation/ Abandoned Location:**

Date Final Reclamation Started: \_\_\_\_\_ Date Final Reclamation Completed: \_\_\_\_\_

Final Land Use: DRY LAND

Reminder: \_\_\_\_\_

Inspector Name: Peterson, Tom

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

<b>Storm Water:</b>						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Slope Roughening	Fail	Gravel	Pass			

S/A/V: **ACTION REQUIRED** Corrective Date: **08/31/2015**

Comment: **North and west walls behind production tanks has significant erosion into tank area. See attached photos.**

CA: **Add BMP's to walls to mitigate location degradation.**

**Pits:**  NO SURFACE INDICATION OF PIT

**Attached Documents**

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
680700253	Margil 23-34 wellhead	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650086">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650086</a>
680700254	Margil 14-34D wellhead	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650087">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650087</a>
680700255	North wall erosion	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650088">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650088</a>
680700256	West wall erosion	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650089">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650089</a>
680700257	West wall erosion	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650090">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650090</a>
680700258	Produced water vault subsidence	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650091">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650091</a>
680700259	Produced water vault subsidence	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650092">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650092</a>
680700260	Produced water vault placarding	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650093">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650093</a>
680700261	Produced water vault placarding	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650094">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650094</a>

## **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.)