

**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

Inspection Date:

02/04/2016

Document Number:

674102903

Overall Inspection:

SATISFACTORY**FIELD INSPECTION FORM**

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 440323 | 440318 | Rickard, Jeff | <input type="checkbox"/> | |

Operator Information:OGCC Operator Number: 10311Name of Operator: SYNERGY RESOURCES CORPORATIONAddress: 20203 HIGHWAY 60City: 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, Dave | | dpennington@syrinfo.com | Synergy Inspection |
| Rasmuson, Craig | 970-737-1073 | crasmuson@syrinfo.com | |
| Sandquist, Rhonda | 970-737-1073 | rsandquist@syrinfo.com | |

Compliance Summary:QtrQtr: SESE Sec: 16 Twp: 4N Range: 68W**Inspector Comment:****Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|---------------------|-------------|-------------------------------------|
| 440314 | WELL | PR | 09/24/2015 | LO | 123-40778 | SRC Cannon H-16NHZ | PR | <input checked="" type="checkbox"/> |
| 440315 | WELL | PR | 09/24/2015 | LO | 123-40779 | SRC Cannon 24-16CHZ | PR | <input checked="" type="checkbox"/> |
| 440316 | WELL | PR | 09/24/2015 | LO | 123-40780 | SRC Cannon 14-16NHZ | PR | <input checked="" type="checkbox"/> |
| 440317 | WELL | PR | 09/24/2015 | LO | 123-40781 | SRC Cannon S-16CHZ | PR | <input checked="" type="checkbox"/> |
| 440319 | WELL | PR | 09/24/2015 | LO | 123-40782 | SRC Cannon 14-16CHZ | PR | <input checked="" type="checkbox"/> |
| 440320 | WELL | PR | 09/24/2015 | LO | 123-40783 | SRC Cannon 13-16CHZ | PR | <input checked="" type="checkbox"/> |
| 440321 | WELL | PR | 09/24/2015 | LO | 123-40784 | SRC Cannon 13-16NHZ | PR | <input checked="" type="checkbox"/> |
| 440322 | WELL | PR | 09/24/2015 | LO | 123-40785 | SRC Cannon S-16NHZ | PR | <input checked="" type="checkbox"/> |
| 440323 | WELL | PR | 09/24/2015 | LO | 123-40786 | SRC Cannon K-16CHZ | PR | <input checked="" type="checkbox"/> |
| 440324 | WELL | PR | 09/24/2015 | LO | 123-40787 | SRC Cannon H-16CHZ | PR | <input checked="" type="checkbox"/> |
| 440325 | WELL | PR | 09/24/2015 | LO | 123-40788 | SRC Cannon 24-16NHZ | PR | <input checked="" type="checkbox"/> |

Equipment:Location Inventory

| | | | |
|-----------------------------|-------------------------|-----------------------|-------------------------|
| Special Purpose Pits: _____ | Drilling Pits: _____ | Wells: <u>11</u> | Production Pits: _____ |
| Condensate Tanks: _____ | Water Tanks: <u>5</u> | Separators: <u>11</u> | Electric Motors: _____ |
| Gas or Diesel Motors: _____ | Cavity Pumps: _____ | LACT Unit: _____ | Pump Jacks: _____ |
| Electric Generators: _____ | Gas Pipeline: _____ | Oil Pipeline: _____ | Water Pipeline: _____ |
| Gas Compressors: _____ | VOC Combustor: <u>3</u> | Oil Tanks: <u>22</u> | Dehydrator Units: _____ |
| Multi-Well Pits: _____ | Pigging Station: _____ | Flare: _____ | Fuel Tanks: _____ |

Location**Lease Road:**

| Type | Satisfactory/Action Required | comment | Corrective Action | Date |
|------|------------------------------|---------|-------------------|------|
| | | | | |

Signs/Marker:

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|------|------------------------------|---------|-------------------|---------|
| | | | | |

Emergency Contact Number (S/AR): _____

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|------|------------------------------|---------|-------------------|---------|
| | | | | |

Spills:

| Type | Area | Volume | Corrective action | CA Date |
|------|------|--------|-------------------|---------|
| | | | | |

☐ Multiple Spills and Releases?**Fencing/:**

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|------|------------------------------|---------|-------------------|---------|
| | | | | |

Equipment:

| Type: | # | Satisfactory/Action Required: | |
|-------------------|---|-------------------------------|-------------|
| Comment | | | |
| Corrective Action | | | Date: _____ |

Venting:

| Yes/No | |
|---------|--|
| Comment | |

Flaring:

| Type | Satisfactory/Action Required |
|----------------|------------------------------|
| Comment: _____ | |

| | |
|--------------------|----------------------|
| Corrective Action: | Correct Action Date: |
|--------------------|----------------------|

Predrill

Location ID: 440323

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AR: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

| Group | User | Comment | Date |
|-------|---------|---|------------|
| OGLA | treitzr | All provisions of Rule 605.c. shall apply | 12/04/2014 |
| OGLA | treitzr | Operator shall provide notice to COGCC 48 hours prior to commencing construction of this Oil and Gas Location via Form 42. | 12/03/2014 |
| OGLA | treitzr | Per 912.a. Flaring is prohibited unless during upset conditions. Per 912.b. Uncontrolled venting shall be prohibited at this location. | 12/04/2014 |

S/AR: _____ **Comment:** _____**CA:** _____ **Date:** _____**Wildlife BMPs:**

| BMP Type | Comment |
|--|---|
| Planning | Fencing: A meeting with the surface owner will determine a fencing plan |
| Material Handling and Spill Prevention | Tank Specifications: Tanks will be designed, constructed and maintained in accordance with NFPA Code 30. The tanks are visually inspected once a day for issues, and recorded inspections are conducted once a month. |
| Planning | Visual Impacts: All long term facility structures will be painted a color that enables the facilities to blend in with the natural background color of the landscape, as seen from a viewing distance and location typically used by the public. Maintain appearance with garbage clean-up; a trash bin will be located on site to accumulate waste by the personnel drilling the wells. Site will have unused equipment, trash and junk removed immediately. Berms will be constructed on the east and west sides of the location and be planted with evergreen trees. |
| Planning | Blowout Prevention Equipment ("BOPE"): A double ram and annular preventer will be used during drilling. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid. |
| Final Reclamation | 604.c.(2).U. Final Reclamation-The operator shall identify the location of the wellbore with a permanent monument as specified in Rule 319.a.(5). The operator shall also inscribe or imbed the well number and date of plugging upon the permanent monument. |
| Construction | Light sources during all phases of operations will be directed downwards and away from occupied structures where possible. Once the drilling and completion rigs leave the site, there will be no permanently installed lighting on site. Lighting shall be mounted at compressor stations on a pole or building and directed downward to illuminate key areas within the facility, while minimizing the amount of light projected outside the facility. |
| Traffic control | Access Roads: The access road will be constructed to accommodate local emergency vehicles. This road will be maintained for access at all times. Traffic will be routed to minimize local interruption. Dust control measures will also be utilized. |
| Traffic control | RULE 604.c.(2)D: If required by the local government, a traffic plan shall be coordinated with the local jurisdiction prior to commencement of move in and rig up. Any subsequent modification to the traffic plan must be coordinated with the local jurisdiction. |
| Drilling/Completion Operations | 604.c.(2).K. Drilling and Completion- Pit level Indicators shall be used on location. |

Inspector Name: Rickard, Jeff

| | |
|--|---|
| Planning | Control of fire hazards: All material that is considered a fire hazard shall be a minimum of 25' from the wellhead tanks or separators. Electrical equipment shall comply with API IRP 500 and will comply with the current national electrical code. |
| Construction | 604.c.(2).Q. Construction-All guy line anchors left buried for future use shall be identified by a marker of bright color not less than four (4) feet in height and not greater than one (1) foot east of the guy line anchor. |
| Drilling/Completion Operations | RULE 604.c.L: Closed chamber drill stem tests shall be allowed. All other drill stem tests shall require approval by the Director. None planned for this well. |
| Material Handling and Spill Prevention | Leak Detention Plan: Pumper will visit the location daily and visually inspect all tanks and fittings for leaks. Additionally, monthly documented SPCCP inspections are conducted pursuant to 40 CFR 112. |
| Noise mitigation | The drill site will be powered by electricity, mitigating the majority of noise from drilling operations. Sound walls and/or hay bales will be used to surround the well site during drilling operations. |
| Odor mitigation | Per Rule 805: Oil & gas facilities and equipment shall be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare. |
| Drilling/Completion Operations | 604.c.(2).O. Drilling and Completion-All loadlines shall be bullplugged or capped. |
| General Housekeeping | Trash Removal: All trash, debris and material not intrinsic to the operation of the oil and gas facility shall be removed and legally disposed of as applicable. |
| Drilling/Completion Operations | RULE 604.c.I: Upon initial rig-up and at least once every thirty (30) days during drilling operations thereafter, pressure testing of the casing string and each component of the blowout prevention equipment including flange connections shall be performed to seventy percent (70%) of working pressure or seventy percent (70%) of the internal yield of casing, whichever is less. Pressure testing shall be conducted and the documented results shall be retained by the operator for inspection by the Director for a period of one (1) year. Activation of the pipe rams for function testing shall be conducted on a daily basis when practicable. |
| Final Reclamation | Final Reclamation Within 90 days subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site. Identification of plugged and abandoned wells will be identified pursuant to 319.a.(5) |
| Planning | Construction : Berm Construction. Tank berms shall be constructed of steel rings with a synthetic or engineered liner and designed to contain 150% of the capacity of the largest tank. All berms will be visually checked periodically to ensure proper working condition. Secondary containment devices shall be sufficiently impervious to contain any spilled or released material. Tertiary containment, such as an earthen berm, will be installed around production facilities. |
| Emissions mitigation | Emissions Mitigation Green Completions - Emission Control System: Test separators and associated flow lines and sand traps shall be installed on-site to accommodate green completions techniques pursuant to COGCC Rules. In the anticipated absence of a viable gas sales line, the flowback gas shall be thermally oxidized in an emissions control device (ECD), which will be installed and kept in operable condition for at least the first 90-days of production pursuant to CDPHE rules. This ECD shall have an adequate capacity for 1.5 times the largest flowback within a 10 mile radius, will be flanged to route gas to other or permanent oxidizing equipment and shall be provided with the equipment needed to maintain combustions where non-combustible gases are present. |
| Construction | 604.c.(2).E. Construction-This will be a multi-well pad. |

S/AR: _____ **Comment:** _____

CA: _____ **Date:** _____

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Inspector Name: Rickard, Jeff

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: 440314 Type: WELL API Number: 123-40778 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: Braden head is exposed at surface.

CA: _____

CA Date: _____

Facility ID: 440315 Type: WELL API Number: 123-40779 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: Braden head is exposed at surface.

CA: _____

CA Date: _____

Facility ID: 440316 Type: WELL API Number: 123-40780 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: Braden head is exposed at surface.

CA: _____

CA Date: _____

Facility ID: 440317 Type: WELL API Number: 123-40781 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: Braden head is exposed at surface.

CA:

CA Date:

Facility ID: 440319 Type: WELL API Number: 123-40782 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: Braden head is exposed at surface.

CA:

CA Date:

Facility ID: 440320 Type: WELL API Number: 123-40783 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: Braden head is exposed at surface.

CA:

CA Date:

Facility ID: 440321 Type: WELL API Number: 123-40784 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: Braden head is exposed at surface.

CA:

CA Date:

Facility ID: 440322 Type: WELL API Number: 123-40785 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: Braden head is exposed at surface.

CA:

CA Date:

Facility ID: 440323 Type: WELL API Number: 123-40786 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: Braden head is exposed at surface.

CA:

CA Date:

Facility ID: 440324 Type: WELL API Number: 123-40787 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: Braden head is exposed at surface.

CA:

CA Date:

Facility ID: 440325 Type: WELL API Number: 123-40788 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: Braden head 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:

Emission Control Burner (ECB): Y

Comment:

Pilot: Wildlife Protection Devices (fired vessels): YES

Reclamation - Storm Water - Pit**Interim Reclamation:**

Date Interim Reclamation Started: Date Interim Reclamation Completed:

Land Use: IRRIGATED

Comment:

1003a. Waste and Debris removed?

CM

CA CA Date

Unused or unneeded equipment onsite?

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CM _____
CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? _____

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? _____

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: IRRIGATED _____

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 ☐

Inspector Name: Rickard, Jeff

| | | | | | | |
|--|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Storm Water: | | | | | | |
| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
| Gravel | Pass | | | | | |
| S/A/V: SATISFACTOR Y _____ Corrective Date: _____ | | | | | | |
| Comment: _____ | | | | | | |
| CA: _____ | | | | | | |
| Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT | | | | | | |

| COGCC Comments | | |
|--|----------|------------|
| Comment | User | Date |
| FLIR video taken at location of tank battery (attached). | rickardj | 02/04/2016 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-----------------------|---|
| 674102904 | FLIR video of battery | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3776410 |