

**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



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Inspection Date:

09/28/2012

Document Number:

665400548

Overall Inspection:

**Violation****FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Tracking Type	Inspector Name:
	<u>429134</u>	<u>429132</u>		<u>PRECUP, JIM</u>

**Operator Information:**OGCC Operator Number: 10340 Name of Operator: SUNDANCE ENERGY INCAddress: 633 17TH STREET #1950City: DENVERState: COZip: 80202**Contact Information:**

Contact Name	Phone	Email	Comment
ASH, MARGARET		margaret.ash@state.co.us	
LINDBLOM, STEVE		steven.lindblom@state.co.us	
Rogers, Dean	303-543-5710	drogers@sundanceenergy.net	
Murray, Brett	303-543-5702	bmurray@sundanceenergy.net	

**Compliance Summary:**QtrQtr: SWSW Sec: 22 Twp: 4N Range: 68W**Inspector Comment:****Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
429131	WELL	XX	06/01/2012		123-35708	HFE 22C	
429133	WELL	DG	06/15/2012		123-35709	MLD 13-22	
429134	WELL	DG	09/21/2012		123-35710	HFE 24-22	X
429135	WELL	DG	06/07/2012		123-35711	HFE 14-22	
429136	WELL	DG	09/11/2012		123-35712	MLD 23-22	

**Equipment:****Location Inventory**

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>5</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>1</u>	Separators: <u>1</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>1</u>	Oil Tanks: <u>2</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

**Location**

<b>Lease Road:</b>				
Type	Satisfactory/Unsatisfactory	comment	Corrective Action	Date
Access	Unsatisfactory	Mud on WCR 7 from location	Place in a vehicle tracking pad sufficient to remove mud from tires on vehicles visiting location, remove mud from road as needed	10/10/2012

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

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

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

<b>Spills:</b>				
Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				

<b>Venting:</b>	
Yes/No	Comment

<b>Flaring:</b>				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

### Predrill

Location ID: 429132

**Site Preparation:**

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

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

### Form 2A COAs:

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

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

### Wildlife BMPs:

BMP Type	Comment
Construction	Remove only the minimum amount of vegetation necessary for the construction of roads and facilities. Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation. No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.
Storm Water/Erosion Control	Use water bars, and other measures to prevent erosion and non-source pollution. Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).

Site Specific	Fence the well site after drilling to restrict public and wildlife access. Keep well site location, the road, and the pipeline easement free of noxious weeds, litter and debris. Spray for noxious weeds, and implement dust control, as needed. Sundance Energy, Inc will not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's Land. Construct and maintain gates where any roads used by Sundance Energy, Inc, its employees, or contractors cross through fences on the leased premises.
Drilling/Completion Operations	When available and reasonable use a closed-loop drilling mud system to preclude the use of an earthen reserve pits when available.
Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.
Final Reclamation	All surface restoration shall be accomplished to the satisfaction of Owner. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner. Final reclamation shall be completed to the reasonable satisfaction of the Owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC).
Interim Reclamation	Utilize only such area around each producing well as is reasonably necessary. Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.

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

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

**Stormwater:**

Erosion BMPs	Present	Other BMPs	Present
SILT FENCES	Yes		

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

Comments: Erosion BMPs: \_\_\_\_\_  
Other BMPs: \_\_\_\_\_

**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:

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Inspector Name: PRECUP, JIM

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

### Facility

Facility ID: 429134 Type: WELL API Number: 123-35710 Status: DG Insp. Status: DG

### Well Drilling

Rig: Rig Name: ensign 55 Pusher/Rig Manager: Tommy Thart  
Permit Posted: Satisfactory Access Sign: Satisfactory

### Well Control Equipment:

Pipe Ram: Blind Ram: Hydril Type:  
Pressure Test BOP: Test Pressure PSI: Safety Plan:

### Drill Fluids Management:

Lined Pit: Unlined Pit: Closed Loop: YES Semi-Closed Loop:  
Multi-Well: YES Disposal Location:

### Comment:

Location received incidents of rain for two days. Location muddy drug and stirred up. No appreciable road gravel added to location. No fencing of location. Witnessed a motorcycle rider driving on the wellsite and using it for recreational purposes. Site is on a site using off road motorcycles

### Environmental

### Spills/Releases:

Type of Spill: DRILLING Description: mud and cuttings Estimated Spill Volume:

Comment: mud added to location from an open C-can accepting cuttings from the shaker table. There is normal debris lost to the location when loading the cuttings to trucks leaving the location. The cuttings were mixed with the mud from the rain incidents and through erosion, left the location.

Corrective Action: during every storm water event, check BMP's provided to keep the materials limited to Date: 09/28/2012

Reportable: YES GPS: Lat Long

Proximity to Surface Water: 2500 Depth to Ground Water:

### Water Well:

DWR Receipt Num: Owner Name: GPS : Lat Long

### Field Parameters:

Sample Location:

Emission Control Burner (ECB):

Comment:

Pilot: Wildlife Protection Devices (fired vessels):

### Reclamation - Storm Water - Pit

### Interim Reclamation:

Date Interim Reclamation Started: Date Interim Reclamation Completed:

Land Use: RECREATIONAL

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

1003a. Debris removed? \_\_\_\_\_ CM \_\_\_\_\_  
 CA \_\_\_\_\_ CA Date \_\_\_\_\_  
 Waste Material Onsite? \_\_\_\_\_ CM \_\_\_\_\_  
 CA \_\_\_\_\_ CA Date \_\_\_\_\_  
 Unused or unneeded equipment onsite? \_\_\_\_\_ 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? \_\_\_\_\_ 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: RECREATIONAL \_\_\_\_\_

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 \_\_\_\_\_

Inspector Name: PRECUP, JIM

Comment:

Corrective Action:

Date

Overall Final Reclamation

Multi-Well Location



**Storm Water:**

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Silt Fences	Fail	Gravel	Fail	SI	Fail	

S/U/V: **Violation**

Corrective Date: **10/10/2012**

Comment: During the stormwater incidents of 9/2012, the silt fences surrounding the north and east side of the location failed causing erosion of the location and migration of the materials used in drilling to breach the location and enter a farmers field ultimately ending up in the creek north of the wellsite. The creek has running water and appears to flow year round. These are waters of the state

CA: This incident has been turned over to the environmental group to NOAV the site and request actions.

**COGCC Comments**

Comment	User	Date
This inspection along with pictures of the incident, has been sent to Steve Lindblom of the COGCC environmental group for their review and consideration. Corrective actions are to follow. This incident has been turned over to the environmental group. They will issue NOAV's as necessary explaining what actions are to be taken to correct the problem. In addition a request was made by Jim Precup on 9/28/2012 to the driller who was temporarily in charge of Ensign 55, ( The Pusher was not there at the time of inspection) to provide to Steve Lindblom at the Denver Office a list of all the chemicals and additives that were used in drilling on that location. A call was also made to Gene Hudson, but no return call was made until 10/1/2012. Mr Dean Rogers was called and did respond, he was told of the problem and he said they were going to get the problem resolved when it dried out. He was notified, that an NOAV was to follow.	precupj	10/03/2012