

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: PRECUP, JIM
	429134	429132		

Operator Information:

OGCC Operator Number: 10340 Name of Operator: SUNDANCE ENERGY INC
 Address: 633 17TH STREET #1950
 City: DENVER State: CO Zip: 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 Mortors: _____	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

Lease Road:				
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: _____

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

Venting:	
Yes/No	Comment

Flaring:				
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:

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 _____

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 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