

**FORM
INSP**Rev
05/11**State of Colorado****Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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| DE | ET | OE | ES |
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Inspection Date:

02/27/2012

Document Number:

658900004

Overall Inspection:

Unsatisfactory**FIELD INSPECTION FORM**

| | | | | |
|---------------------|---------------|---------------|---------------------------|---------------------|
| Location Identifier | Facility ID | Loc ID | Tracking Type | Inspector Name: |
| | <u>272836</u> | <u>320514</u> | COMPLAINT TRACKING NUMBER | <u>CHESSON, BOB</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 |
|--------------|--------------|----------------------------|---------|
| Dean Rogers | 303-543-5710 | drogers@sundanceenergy.net | |

Compliance Summary:QtrQtr: SWNW Sec: 14 Twp: 1S Range: 67W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Unsatisfactory | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|------------------------------|----------|----------------|-----------------|
| 01/22/2009 | 200202699 | ES | AO | U | | | N |
| 12/08/2008 | 200199699 | ES | PR | U | | | Y |
| 09/08/2004 | 200060007 | CO | WO | S | | P | N |
| 09/01/2004 | 200059217 | DG | DG | S | | P | N |

Inspector Comment:

Inspected per concerns of landowner (Richards). Alligations of "oily" soils at TB location not confirmed. TB location appears to be in process of expansion upgrade? Photos attached show TB. Stormwater issues both at TB and along full legnth of the lease road. Crew to north staking new well pad location (looks like 5 wells). Lease and well site prep. underway for recomplete on well (located NE of TB).

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name |
|-------------|----------|--------|-------------|------------|-----------|----------------------|
| 6027 | LEASE | PR | 01/22/1999 | | - | NAUMAN #S 1, 2 & 3 |
| 272836 | WELL | PR | 11/10/2004 | GW | 001-09512 | NAUMAN 1-14 |
| 320514 | LOCATION | AC | 04/14/2009 | | - | NAUMAN-61S67W 14SWNW |

Equipment:**Location Inventory**

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

Location

| Lease Road: | | | | |
|--------------------|-----------------------------|-----------------------------------------------------------------------------|-------------------------------------------------------------------------|------------|
| Type | Satisfactory/Unsatisfactory | comment | Corrective Action | Date |
| Main | Satisfactory | No Stormwater controls with regrading dirt piled nto ditches on both sides. | Implement corrective storm water controls to control road construction. | 03/09/2012 |

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

Comment: _____

Corrective Action: _____

| Good Housekeeping: | | | | |
|---------------------------|-----------------------------|------------------------------------------------|------------------------------------------------|------------|
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| OTHER | Unsatisfactory | Inadquate stormwater controls at tank battery. | Install adiqute stormwater BMPs at tankbattery | 03/09/2012 |

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

☐ Multiple Spills and Releases?

| Venting: | | | |
|-----------------|---------|--|--|
| Yes/No | Comment | | |
| | | | |

| Flaring: | | | | |
|-----------------|-----------------------------|---------|-------------------|---------|
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| | | | | |

Predrill

Location ID: 320514

Site Preparation:

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

Corrective Action: _____

Date: _____ CDP Num.: _____

Form 2A COAs:**Wildlife BMPs:****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:**Environmental****Spills/Releases:**

Type of Spill: OIL Description: _____ Estimated Spill Volume: _____

Comment: Could not verify allegation by landowner. Oily soils not observed at TB.

Corrective Action: none required.

Date: 03/01/2012

Reportable: _____ GPS: Lat _____ Long _____

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:

Lat _____ Long _____

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

Field Parameters:

Sample Location: _____

| Complaint: | | | | |
|-------------------|--------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Tracking Num | Category | Assigned To | Description | Incident Date |
| 200335535 | SOIL CONTAMINATION | ASH, MARGARET | Surface owner called about recomplete notice that he had recieved from Bob Parker with Texas Tea. Surface owner went on to describe ongoing problems with spills, lack of cleanup, covering up of problems, leaving fencing over large area where horses were kept. | 12/28/2011 |
| 200335536 | SOIL CONTAMINATION | ASH, MARGARET | Surface owner called to discuss problems at tank battery associated with this well along with other issues. Spills do not get remediated. Somtimes covered over or scrapped and then left in pile. Fencing was left for over a year in area where horses are kept. Area was larger than well pad and requests to take it down wer ignored. | 12/28/2011 |
| 200338121 | NOISE | LEONARD, MIKE | Ms. Todd called to report excessive noise from trucks accessing location. | 01/19/2012 |
| 200338121 | OTHER | LEONARD, MIKE | Ms. Todd called to report excessive truck traffic on local roads accessing location | 01/19/2012 |

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: _____

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

Inspector Name: CHESSON, BOB

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: _____

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

Storm Water:

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

S/U/V: Unsatisfactory

Corrective Date: 03/16/2012

Comment: _____

CA: Implace appropriate BMPs to correct stormwater issues with lease roads and TB.

Attached Documents

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

| Document Num | Description | URL |
|--------------|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 658900005 | TB Looking west - note recent construction | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883675 |
| 658900006 | TB Looking west - note recent construction | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883676 |
| 658900007 | Looking north toward new well site location | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883677 |
| 658900008 | Looking north along silt fence - TB | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883678 |
| 658900009 | Separator at TB | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883679 |

| | | |
|-----------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 658900010 | Separator, sign. combuster - TB | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883680 |
| 658900012 | condensate tank - 300 bbl | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883681 |
| 658900013 | Off TB location looking west by drainage | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883682 |
| 658900014 | Looking south onto TB from drainage | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883683 |
| 658900015 | Look south from drainage | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883684 |
| 658900016 | Culvert? in drainage - lease road | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883685 |
| 658900017 | Same location lookin north to lease road | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883686 |
| 658900018 | Lease road adjacent to TB looking north | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883687 |
| 658900019 | West along lease road - culvert | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883688 |
| 658900020 | Lease road looking south toward TB | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883689 |
| 658900021 | Looking east along drainage - TB to south | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883690 |
| 658900022 | Lease road fence damage. | http://cogcc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=2883691 |