



State of Colorado Oil and Gas Conservation Commission

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FOR OGCC USE ONLY

6/13/2012
Doc#2614347

ACCIDENT REPORT

As required by Rule 602.b.

Report taken by:

DESCRIPTION OF ACCIDENT (Please be as specific as possible)

Name of Operator: <u>PDC Energy, Inc.</u>	Location
Date of Incident: <u>May 29, 2013</u>	County: <u>Weld</u>
Type of Facility (well, tank battery, flow line, pit): <u>Tank Battery</u>	Field Name: <u>Wattenberg</u>
Well Name and Number: <u>Dalton 24L-201</u>	QtrQtr: <u>SWSW</u> Section: <u>24</u>
API Number: <u>05-123-35826</u>	Township: <u>7</u> Range: <u>66W</u>
Connect to Accident (land owner, royalty owner, etc.): <u>Contractor</u>	Meridian: <u>6</u>

Provide a detailed description of the accident, problem, and cause (equipment failure, human error, etc.):

On May 29th 2013 PDC Energy was preparing for the upcoming fracing operations to commence on June 10th at the Dalton 2-well pad location on the northeast side of the intersection of County roads 78 and 35 in Weld County, CO. The location is approximately 2 miles north and west of Eaton, CO.

In preparation for the upcoming fracs at the Dalton site Magna Energy Services (MES) had erected two Large Volume Storage Tanks (LVST) on the west side of the location parallel to county road 35. While filling the northern most LVST, the steel tank ring failed, causing the release of fresh water on the pad. Approximately 26,000 barrels of fresh water was released. Water for the LVSTs was obtained from the Brough Group and North Weld County. Two MES trucks parked in between the two LVSTs were also damaged as a result of the failure. No injuries occurred as a result of this incident.

PDC, along with the contractors, evaluated the incident. PDC is in the process of finalizing a root cause analysis for this incident. This will be forwarded to the COGCC once it is complete. It appears that improper construction of the tank along with vague standard construction procedures contributed to the tank failure. Moving forward, PDC plans to implement a LVST construction checklist that will be prepared by the LVST contractors and approved by PDC prior to the construction of all future LVSTs.

OTHER NOTIFICATIONS

List the parties and agencies notified (County, BLM, EPA, DOT, Local Emergency Planning Coordinator or other).

Date	Agency	Contact Person	Response

Accident Tracking No: _____