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## 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:

03/16/2017

Submitted Date:

03/17/2017

Document Number:

674603227

### FIELD INSPECTION FORM

Loc ID 320381 Inspector Name: Maclaren, Joe On-Site Inspection  2A Doc Num: \_\_\_\_\_

**Status Summary:**

- THIS IS A FOLLOW UP INSPECTION  
 FOLLOW UP INSPECTION REQUIRED  
 NO FOLLOW UP INSPECTION REQUIRED

**Operator Information:**

OGCC Operator Number: 10548  
 Name of Operator: HRM RESOURCES II LLC  
 Address: 410 17TH STREET #1600  
 City: DENVER State: CO Zip: 80202

**Findings:**

- 4 Number of Comments  
2 Number of Corrective Actions  
 Corrective Action Response Requested

**Contact Information:**

Contact Name	Phone	Email	Comment
Prohaska, April		aprohaska@hrmresources.net	
Axelson, John		john.axelson@state.co.us	
Montoya, John		john.montoya@state.co.us	
Hazard, Ellice		ellice.hazard@state.co.us	
OLSON, JUSTIN	030-910-4717	justin.olson@hrmres.com	
Pape, Terry	(970) 768-5700	tpape@hrmres.com	
Schlagenhauf, Mark		mark.schlagenhauf@state.co.us	
Chesson, Bob		robert.chesson@state.co.us	

**Inspected Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
203593	WELL	PR	06/29/1993	GW	001-09153	KELTON 'A' 31-8	EG

**General Comment:**

COGCC Integrity Inspection (flowline) performed on March 16th, 2017. An initial form 19 spill report Doc #401234377 received on 03/16/2017 outlines the following: There was a flowline leak within the Kelton flowline system. Approximately 3-5 bbls of fluid were spilled into the ephemeral creek known as Horse Creek. The Kelton B 21-8 (05-001-09162) was the only well producing and was immediately shut-in. Lat long is an approximate location, between the Kelton A 31-8 and Kelton 32-8. The details of observations made during this field inspection are available in the flowline section of this report. Photo's have been uploaded and can be accessed via link(s) at the end of this report.

**Location**

Overall Good:

Emergency Contact Number:

Comment:

Corrective Action:

Date: \_\_\_\_\_

Overall Good:

<b>Spills:</b>				
Type	Area	Volume		
Crude Oil	Flow Line			
Comment:	As outlined on field inspection Doc #685502288 performed on 3/16/17 by COGCC field inspector (John Montoya): Flowline had a corrosion leak in pipe, ran down ditch approx 300 yards.			
Corrective Action:	Control and contain spills/releases and clean up per Rule 906.a. Contact COGCC EPS staff.			Date: <u>04/13/2017</u>

In Containment: No

Comment:

Multiple Spills and Releases?

**Venting:**

Yes/No			
Comment:	<input type="text"/>		
Corrective Action:		Date:	<input type="text"/>

**Flaring:**

Type	<input type="text"/>		
Comment:	<input type="text"/>		
Corrective Action:		Date:	<input type="text"/>

**Inspected Facilities**

Facility ID: 203593 Type: WELL API Number: 001-09153 Status: PR Insp. Status: EG

**Flowline**

#1	Type: Well Site	3 of Lines	
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Flowline Description

Flowline Type: <u>Well Site</u>	Size: <u>2"</u>	Material: <u>Carbon Steel</u>
Variance: <u>No</u>	Age:	Contents: <u>Crude Oil</u>

Integrity Summary

Failures: <u>External Corrosion</u>	Spills: <u>Yes</u>	Repairs Made:
Coatings:	H2S: <u>No</u>	Cathodic Protection: <u>No</u>

Pressure Testing

Witnessed:	Test Result:	Charted:
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COGCC Rules (check all that apply)

1101. Installation and Reclamation     1102. Operations, Maintenance, and Repair     1103. Abandonment

Comment: COGCC Inspector met with Terry Pape (and other HRM contract personnel) on site. The failure occurred on the 2" carbon steel well site flowline associated with the Kelton A 31-8. This flowline tie's in with (2) other well site flowlines (API #'s 001-09162, 001-09109) on route to the Kelton facility/ battery. There are no check valves currently installed in the system; the result (lack of isolation capability) may have been backflow from the Kelton B 21-8 PR well that resulted in this crude oil spill. External corrosion appears to be the root cause of failure; however, the excavation was full of groundwater at the time of this field inspection.

Corrective Action: Provide COGCC Engineering Integrity Staff with the following information (add to supplemental form 19 report):

- 1) Root cause determination of the flowline failure that resulted in the spill.
- 2) Description of flowline repairs or replacements completed as a result of this failure (check valves installed, etc).
- 3) Measures being taken to prevent the problem from re-occurring.

Provide COGCC Engineering Integrity staff with the following (via email):

- 1) Schedule of upcoming repair/ replacement work to be completed; and post repair flowline pressure testing schedule.
- 2) The 2016 pressure testing chart/ data (annual pressure testing requirement per COGCC rule 1101e.)
- 5) The 2017 post repair pressure testing chart/ data (after repairs and/ or replacements are completed)

Date: 05/16/2017

**COGCC Comments**

Comment	User	Date
<u>Note: Pressure testing must confirm this flowline and new tie in point(s) of all (3) flowlines have adequate integrity prior to bringing the wells back on to production. Test results must be deemed Satisfactory/ Passing per COGCC rule 1101e. See COGCC website/ operator guidance Rules 1101, 1102, and 1103/ flowlines for more information.</u>	maclarej	03/17/2017

**Attached Documents**

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

Document Num	Description	URL
674603228	Well Sign on location	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101631">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101631</a>
674603229	Looking south at flowline release from well pad	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101632">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101632</a>
674603230	Looking north from flowline failure to well pad	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101633">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101633</a>

674603231	View NW up Horse Creek/ path of crude spill	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101634">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101634</a>
674603232	View NW at path of crude oil spill/ Horse Creek	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101635">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101635</a>
674603233	View to SE from end point of spill	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101636">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4101636</a>