

**FORM  
INSP**Rev  
X/15**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:

05/16/2017

Submitted Date:

05/19/2017

Document Number:

674603345**FIELD INSPECTION FORM**
 Loc ID 331933 Inspector Name: Maclaren, Joe On-Site Inspection ☐ 2A Doc Num:                     
**Operator Information:**OGCC Operator Number: 10633Name of Operator: CRESTONE PEAK RESOURCES OPERATING LLCAddress: 1801 CALIFORNIA STREET #2500City: DENVER State: CO Zip: 80202**Status Summary:**

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

**Findings:**3 Number of Comments0 Number of Corrective Actions☐ Corrective Action Response Requested**Contact Information:**

| Contact Name       | Phone | Email                            | Comment |
|--------------------|-------|----------------------------------|---------|
| ,                  |       | cogcc.inspections@crestonepr.com |         |
| Gintautas, Peter   |       | peter.gintautas@state.co.us      |         |
| Schlagenhauf, Mark |       | mark.schlagenhauf@state.co.us    |         |

**Inspected Facilities:**

| Facility ID | Type             | Status | Status Date | Well Class | API Num   | Facility Name        | Insp Status |
|-------------|------------------|--------|-------------|------------|-----------|----------------------|-------------|
| 433719      | WELL             | PR     | 04/08/2015  | OW         | 123-37758 | Rodman Bruntz 2D-26H | PR          |
| 438226      | SPILL OR RELEASE | AC     | 07/22/2014  |            | -         | SPILL/RELEASE POINT  | EG          |

**General Comment:**

COGCC Integrity Inspection performed on May 16th, 2017 in response to initial form 19 spill report Doc #401276029 received on 05/05/2017 that outlines only: "Flowline failure" The details of observations made during this field inspection are available in the flowline section of this report. Photo's uploaded and can be accessed via link(s) at the end of this report.

**Inspected Facilities**

|                            |                       |                              |                   |                         |
|----------------------------|-----------------------|------------------------------|-------------------|-------------------------|
| Facility ID: <u>433719</u> | Type: <u>WELL</u>     | API Number: <u>123-37758</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>438226</u> | Type: <u>SPILL OR</u> | API Number: <u>-</u>         | Status: <u>AC</u> | Insp. Status: <u>EG</u> |

**Flowline**

|    |                 |            |
|----|-----------------|------------|
| #1 | Type: Well Site | 3 of Lines |
|----|-----------------|------------|

Flowline Description

Flowline Type: Well Site      Size: 3"      Material: Carbon Steel  
Variance: No      Age: 1-5 Yrs      Contents: Multiphase

Integrity Summary

Failures: Internal Corrosion      Spills: Yes      Repairs Made:  
Coatings: Yes External      H2S: No      Cathodic Protection:

Pressure Testing

Witnessed:      Test Result:      Charted:

COGCC Rules(check all that apply)

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

Comment: COGCC Integrity Inspector observed (3) 3" FBE Carbon steel well site flowlines and (1) 1" poly flowline in an open excavation located approximately 450' southwest of the well pad in route to the facility/ battery. The eastern most flowline in the excavation had a cut out section approximately 10 feet in length. Internal corrosion pitting was observed inside the flowline pipe at the 6 o'clock position. It is unclear if all of the well site flowlines have integrity issues as a result of internal corrosion or just the single well. Investigation into details of the corrosion mechanism taking place and flowlines affected appears to be in progress. These wells were spud in 2013. Note: Document and retain records of details of the root cause of failure evaluation, measures taken to prevent the problem from reoccurring and description of all flowline repairs completed (on supplemental form 19); perform flowline pressure testing (all flowlines including poly line) to verify integrity, and integrity of repairs completed (retain chart & data) prior to returning flowlines to service.

Corrective Action:      Date:

**COGCC Comments**

| Comment   | User     | Date       |
|---|----------|------------|
| Note: As outlined on the email sent on May 8th, 2017 to Jason Oates: Please add more information to the initial form 19 spill report to allow COGCC staff to gain a better understanding of the root cause of the spill, including a well/ pad name(S) and/ or API number(s) to help us confirm the actual location/ or individual well associated with the release. In addition, please include all of the information requested in the flowline comments section of this report on the supplemental form 19 spill report. | maclarej | 05/19/2017 |

**Attached Documents**

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

| Document Num | Description                                      | URL   |
|--------------|--|---|
| 401288155    | INSPECTION SUBMITTED                             | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4151527">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4151527</a> |
| 674603346    | Wellheads, signage looking SW to battery         | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4151523">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4151523</a> |
| 674603347    | View of excavation looking Sw from well pad      | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4151524">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4151524</a> |
| 674603348    | Flowlines exposed in excavation/ cut out section | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4151525">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4151525</a> |

|           |  |   |
|-----------|--|---|
| 674603349 | Corrosion pitting at 6 oclock in 3" flowline | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4151526">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4151526</a> |
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